

**CITY OF ATLANTA GENERAL EMPLOYEES'  
PENSION FUND**

**PERFORMANCE REPORT  
PERIOD ENDING  
JUNE 30, 2010**

**Gray & Company**  
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This report was prepared by Gray & Company Investment Management Consulting using market index and universe data provided by the Wilshire Cooperative, as well as information provided by and received from the client. Past investment performance results are not indicative of future performance results. Gray & Co. does not warrant the accuracy of data provided to us by others, although we do take reasonable care to obtain and utilize only reliable information.



GRAY & COMPANY

## **CAPITAL MARKET REVIEW**

**Second Quarter 2010**

# CAPITAL MARKET HEADLINES

## VOLATILITY

Risk management is one of the primary roles of the investment consultant. Risk comes in a variety of forms - market risk, liquidity risk, inflationary risk, and other risks. In this summary, we focus on the risk associated with equity volatility.

### V For VIX

The Chicago Board Options Exchange (CBOE) created the CBOE Volatility Index (VIX) in 1993. The original index was created to measure the implied volatility of the equity market utilizing S&P 100 Index options. In 2003, the VIX was revised to use a broader set of S&P 500 Index options. The index is calculated with the prices of S&P puts and calls over the first two contract months. The VIX represents investors' expectations for the S&P 500 Index price movements (both up and down) over the next 30 days, with higher values indicating more volatility. A VIX value of 18 indicates that the market anticipates the S&P 500 Index to return +/-1.5% over the next 30 days (18 VIX value/12 months).

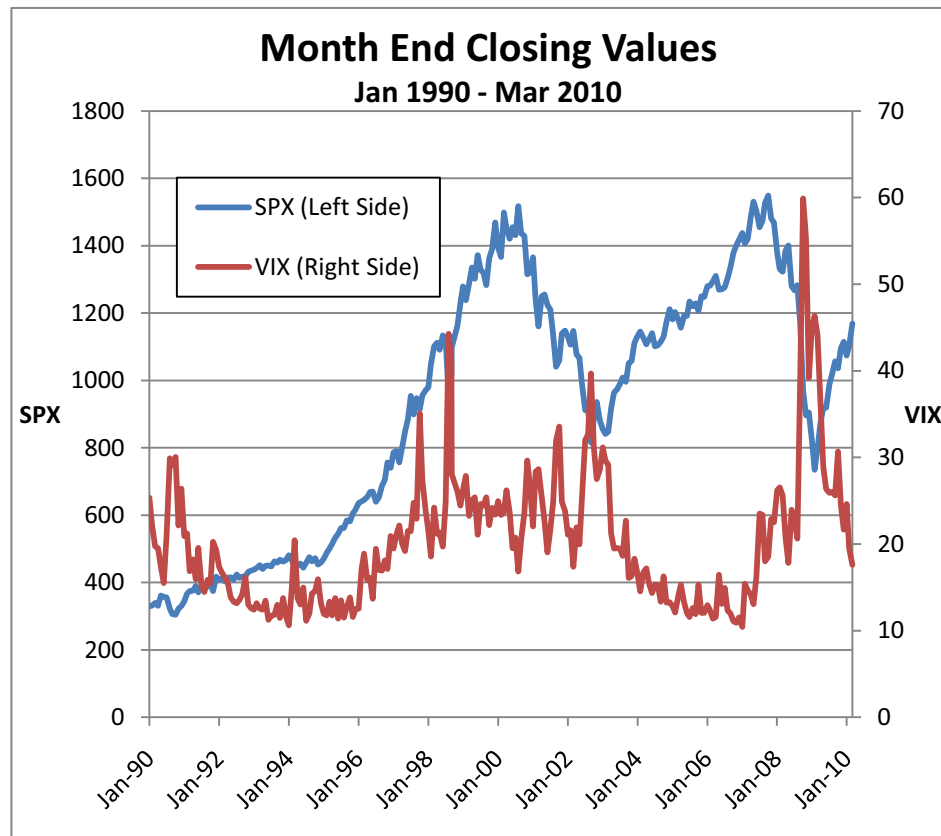
Historically, the VIX Index has exhibited a negative correlation to the S&P 500 Index. This indicates that as the equity market has declined, equity volatility has risen. Due to this relationship, the VIX is referred to as a measure of fear in the equity markets.

### T For Tool

The VIX Index may be used as a portfolio management tool. Monitoring the VIX value provides insight into equity market expectations. The VIX Index allows for the tactical weighting of allocations in a portfolio, reducing the weight to equities as the VIX Index rises to prevent against large losses.

VIX may also be used as an equity hedge. Allocating a portion of a portfolio to VIX options or futures or other volatility investments may provide protection against sharp declines in the equity market.

These strategies are not without other risks. The relationship between the two indexes is not perfect and may lead to a reduction in equities as the asset class rises. The use of options and futures to hedge equity risk involves costs. The intent of this summary is to provide an overview of techniques to manage equity volatility. We recommend investors thoroughly research the risks and benefits of these strategies prior to initiating a volatility management program.



*The graph above depicts the relationship between the S&P 500 Index (SPX) and the VIX Index, as represented by the month end value of the two components.*

*Source: Chicago Board of Exchange (CBOE)  
VIX is the registered trademark of the CBOE.*

# CAPITAL MARKET REVIEW

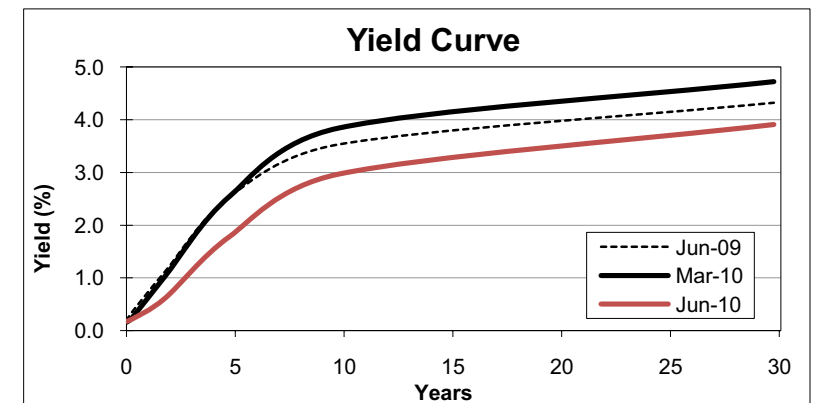
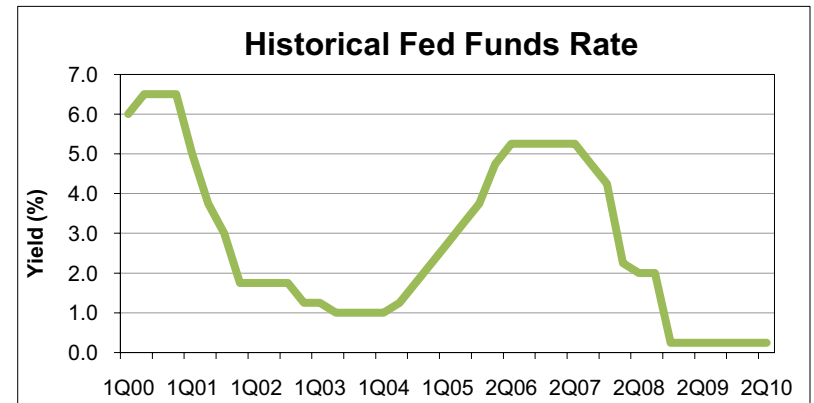
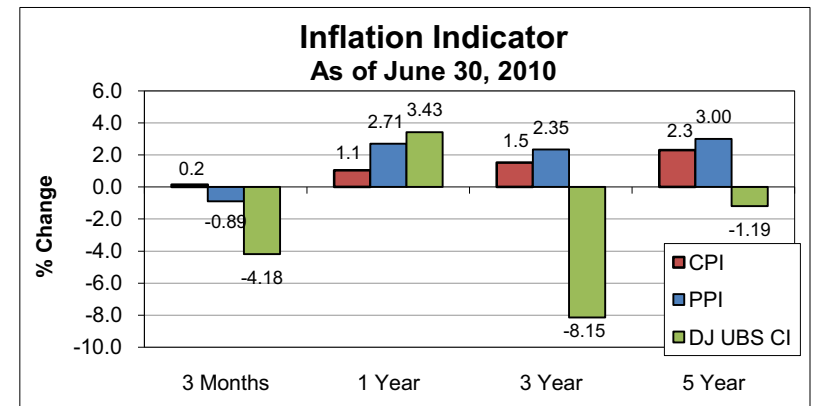
**No Clear Direction:** The sustainability of the economic recovery was front and center in the second quarter and impacted every aspect of the capital markets. Weakness was observed in housing, auto sales, retail sales, manufacturing orders, unemployment, and consumer confidence. In addition, sovereign deficit concerns, a slowdown in the growth of several emerging markets, the oil spill in the Gulf of Mexico, uncertainty surrounding regulations, and the specter of higher taxes added to the uncertainty in the markets.

The aforementioned drawbacks provide kindling to the double-dip recession campfire. However, the slow to moderate growth defenders point to the following positive signs: 1) low interest rates and inflation, 2) high levels of corporate cash, and 3) more reasonable equity valuations. Other factors that impact the debate include the withdrawal of governmental stimulus, weak manufacturing levels, and fully stocked inventories. Only time will tell if the second quarter was a mere pause in the cycle or the beginnings of something more dire.

Shorter-term core inflation expectations not only remain subdued, but may be giving way to thoughts of deflation. PPI moved significantly lower this quarter driven by decreases in energy costs. Commodity prices were volatile during the quarter. Gold reached new records, exceeding \$1,250 an ounce; coffee and natural gas also pushed higher, rising 21% and 19% respectively. In the other direction, crude oil dropped 21% over two weeks in May and Copper plummeted 24% during the quarter. The strength of the dollar also hindered appreciation of commodity prices. Overall, the DJ UBS Commodity Index declined over 4% during the quarter.

The Federal Reserve continues to maintain the Fed Funds Rate between 0.0% and 0.25%. With unemployment still high and uncertainty surrounding the economy, it appears that any tightening of rates will be pushed into 2011.

A flight to quality in the second quarter resulted in a downward shifting yield curve. With near term inflation fears in check, investors were willing to buy maturities further out on the curve; the 10 Year Treasury fell below 3.0%. Sovereign default concerns and European fiscal austerity programs bolster the U.S. Treasury's position as a safe haven, contributing to the low interest rates and a strengthening U.S. dollar.



# CAPITAL MARKET REVIEW

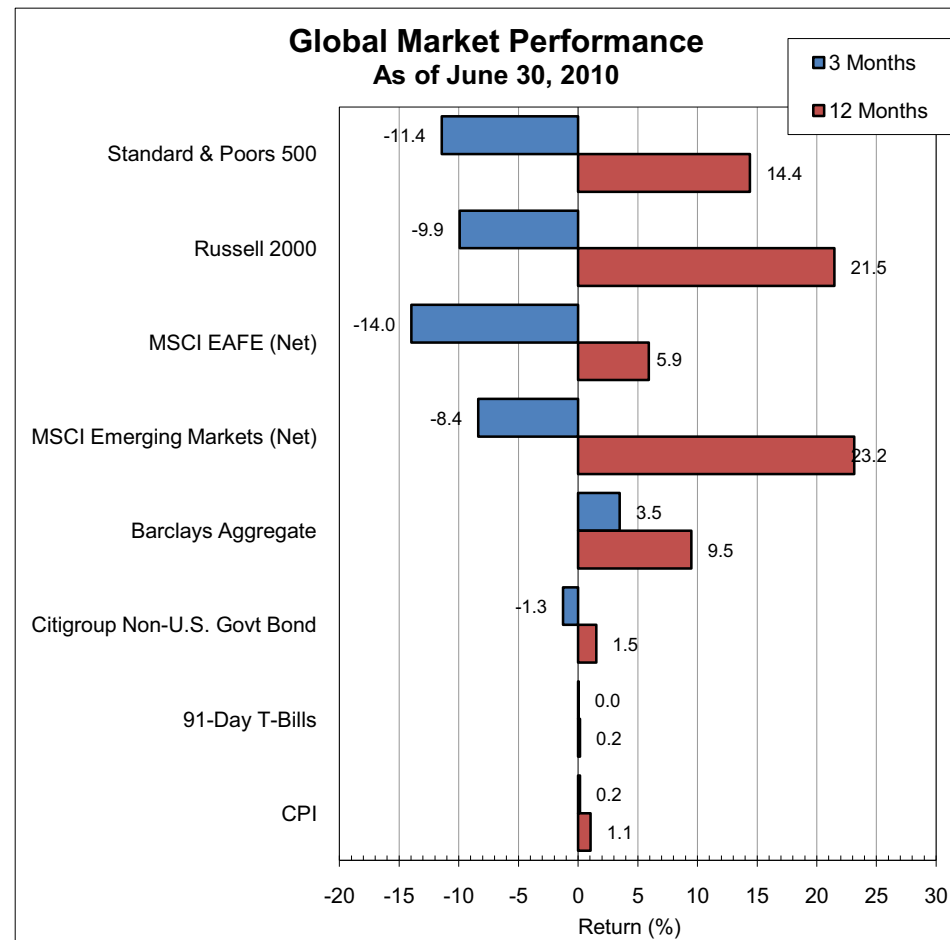
**Full Reverse:** Concerns about the sustainability of the global economic recovery shook the capital markets, raising the possibility of a second recession occurring. Economic statistics during the quarter showed signs of weakening, including disappointing job growth, a slow down in manufacturing, falling consumer confidence, and softening housing data. In addition, governmental stimulus programs are nearing an end and fiscal austerity measures are being instituted across Europe. Investors' enthusiasm for risky assets over the past year abruptly ended and a flight to quality commenced.

After four quarters of strong returns, the equity markets sold off sharply in the second quarter, highlighted by a "flash crash" on May 6th in which the Dow Jones Industrial Average plummeted 700 points in under 10 minutes. The market is technically into a correction phase, having declined by over 10%. Most major developed markets struggled due to the economic uncertainty. The emerging markets tended to perform better, as they countries have stronger economic growth prospects and financially sound banking institutions (economic overheating is a fear in some of these countries). Volatility measures rose as the market declined and country correlations are returning to pre-crisis levels.

The fixed income markets benefited from the global economic concerns and central bank policies. Investors sought the safety of government issues, causing prices to rise and yields to fall. Corporate bonds profited from the declining yields, but to a lesser extent as spreads widen. The exception to the fixed income rally occurred across Europe, as several nations are under pressure to resolve fiscal imbalances or face credit downgrades (Greece and Portugal have been downgraded this year).

Private real estate has started to recover, posting a second consecutive quarter of positive returns; the preliminary return for the NFI-ODCE Index was 4.4% for the second quarter. This provides hope that liquidity may be returning to the private markets.

The governmental intervention has improved liquidity, repaired financial institutions, and bolstered the equity and fixed income markets. However, the question remains whether the recovery can survive without the support of the governments.



# U.S. EQUITY MARKET

| Total Returns - Periods Ending June 30, 2010 |          |        |         |         |
|--|----------|--------|---------|---------|
|  | 3 Months | 1 Year | 3 Years | 5 Years |
| Standard & Poors 500                         | (11.43)  | 14.40  | (9.81)  | (0.79)  |
| S&P MidCap 400                               | (9.59)   | 24.93  | (5.90)  | 2.21    |
| S&P SmallCap 600                             | (8.73)   | 23.63  | (7.64)  | 0.82    |
| Russell 1000                                 | (11.45)  | 15.22  | (9.55)  | (0.56)  |
| Russell 1000 Growth                          | (11.74)  | 13.62  | (6.91)  | 0.38    |
| Russell 1000 Value                           | (11.14)  | 16.93  | (12.33) | (1.65)  |
| Russell 2000                                 | (9.93)   | 21.48  | (8.60)  | 0.37    |
| Russell 2000 Growth                          | (9.22)   | 17.96  | (7.53)  | 1.14    |
| Russell 2000 Value                           | (10.59)  | 25.08  | (9.85)  | (0.51)  |
| S&P 500 Sector Performance                   |          |        |         |         |
|  | 3 Months | 1 Year | 3 Years | 5 Years |
| Energy                                       | (12.67)  | 2.15   | (9.19)  | 3.70    |
| Materials                                    | (15.15)  | 13.62  | (10.47) | 2.12    |
| Industrials                                  | (12.33)  | 27.44  | (9.97)  | (0.33)  |
| Con. Discretionary                           | (10.87)  | 27.86  | (8.03)  | (0.88)  |
| Con. Staples                                 | (8.13)   | 13.66  | 0.58    | 4.82    |
| Health Care                                  | (11.79)  | 8.58   | (5.33)  | (0.20)  |
| Financials                                   | (13.31)  | 17.34  | (25.22) | (11.60) |
| Info Technology                              | (12.23)  | 15.89  | (4.10)  | 2.30    |
| Telecommunications                           | (4.26)   | 6.21   | (11.77) | 1.26    |
| Utilities                                    | (3.76)   | 6.04   | (6.72)  | 1.70    |

Returns are annualized for periods greater than one year.

**About-Face:** In military parlance, the equity markets performed an "about-face" in the second quarter. The S&P 500 fell 11.4% for the quarter and most markets followed its lead. With so many negative headlines in the news and an abundance of uncertainty in the air, the name of the game was risk aversion.

All cap ranges and styles declined this quarter. Small/ Mid Caps declined less relative to Large Cap, continuing their out performance from last quarter. The performance of Value relative to Growth was mixed; Growth out performed within the Small and Mid ranges and trailed in the Large Cap segment.. Over the past 12 months, Small and Mid Caps have out performed Large Cap, and Value has exceeded Growth across the market cap spectrum.

For the quarter, all 10 sectors of the S&P declined, with most sectors declining in the double digits. Defensive sectors (Utilities, Telecom, and Consumer Staples) declined less than the more cyclical sectors (Materials, Financials, and Energy). Utilities declined the least and Materials declined the most. The out performance of the defensive sectors can be attributed to investor's focus on fundamentals and income during a period of uncertainty. Over the past 12 months the cyclical sectors led the way with robust returns. The Consumer Discretionary sector was the best performer while the Telecom sector was the worst. However, constraints on consumer spending in the future is likely to negatively impact the Consumer Discretionary sector. Investors will look at sectors that are either less dependent on the individual consumer or offer growth despite the constrained consumer.

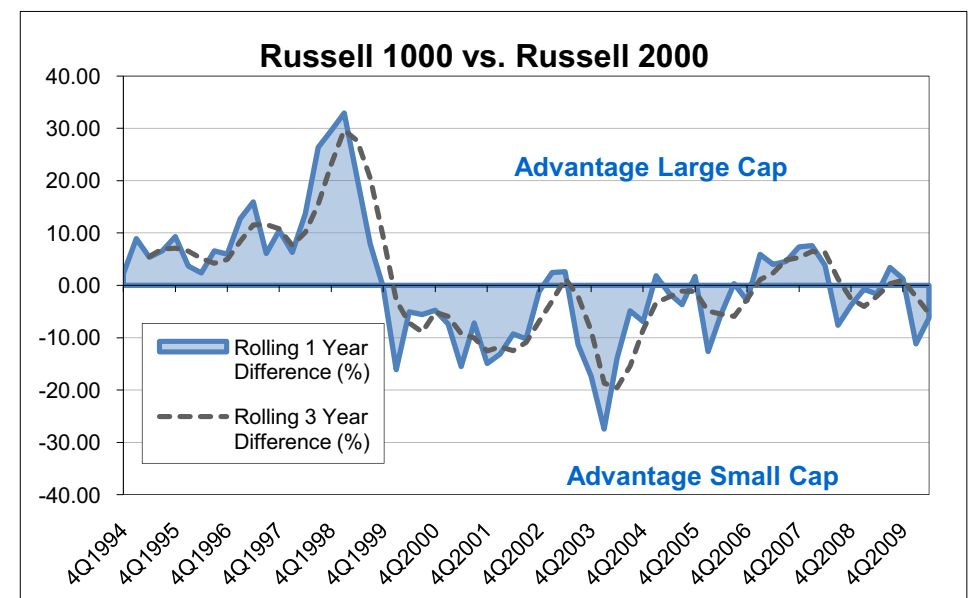
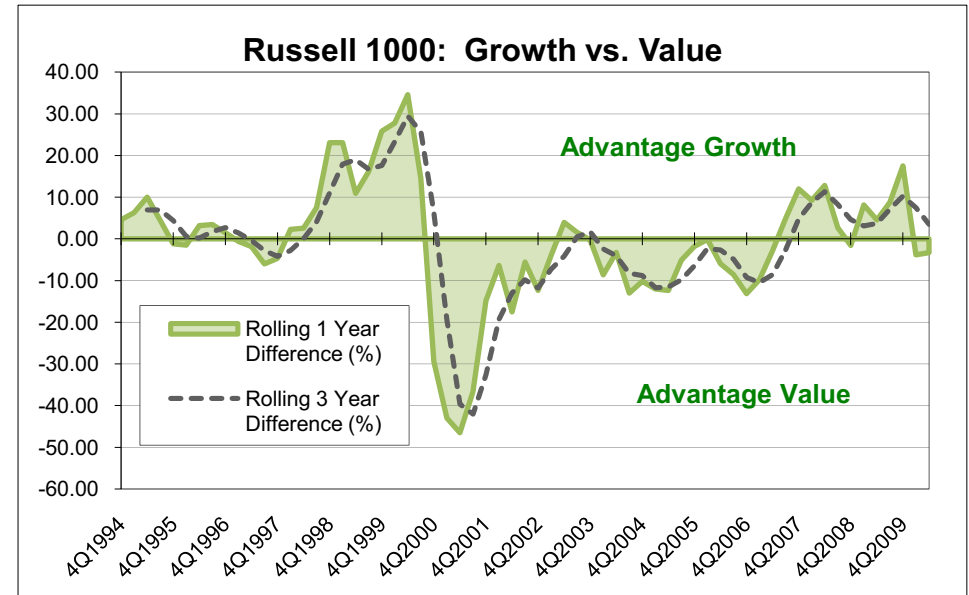
# U.S. EQUITY MARKET

**On Demand:** Aggregate demand drives the long-term performance of the economy and, consequently, the capital markets. The second quarter saw a pullback in economic data on sales, housing, and consumer confidence. The current labor market exhibits a high unemployment rate and lackluster job growth. It can certainly be assumed that demand has taken a hit. This leads to uncertainty, and uncertainty breeds risk aversion - which many an investor would say leads to opportunity.

Value once again outpaced Growth for the quarter. In periods of low expected returns and uncertainty, income tends to be in high demand. The Value style is known for its higher dividend yields and its ability to provide somewhat of a buffer against earnings disappointments. On a rolling 1 year basis Value outpaced Growth again and appears to be following its historical pattern of beating Growth in a recovery.

Small Cap out performed Large Cap for the quarter. This generally would have been a surprise, as Small Cap historically trail Large Cap during periods of market weakness. However, with Large Cap's exposure to the European markets, the performance difference is rationale. On a rolling 1 year basis, Small Cap exceeded Large Cap again and appears to be following their historical pattern of beating Large Cap during a recovery.

The cyclical sectors (Materials, Consumer Discretionary, Financials, Energy) performed the worst for the quarter. The non-cyclical/defensive sectors (Telecom, Utilities, Health Care, Consumer Staples) declined as well, but to a lesser extent. The quarter's performance was influenced by a spate of negative headlines in the news, including the BP oil spill, economic weakening, and geopolitical issues in the Mid East and Korea. Economic expansion continues despite the talk of a double-dip recession, albeit at a pace less than many may have expected.





## U.S. FIXED INCOME MARKET

**How Low Can You Go:** The yield curve flattened during the quarter with the yield of longer term maturities declining. 30-Year Treasury Bonds ended the quarter yielding under 4.0%. The rally in the fixed income market was primarily a function of investors fearing a global economic slow down and shifting to safer investments. This quarter, nearly all segments of the fixed income market were positive.

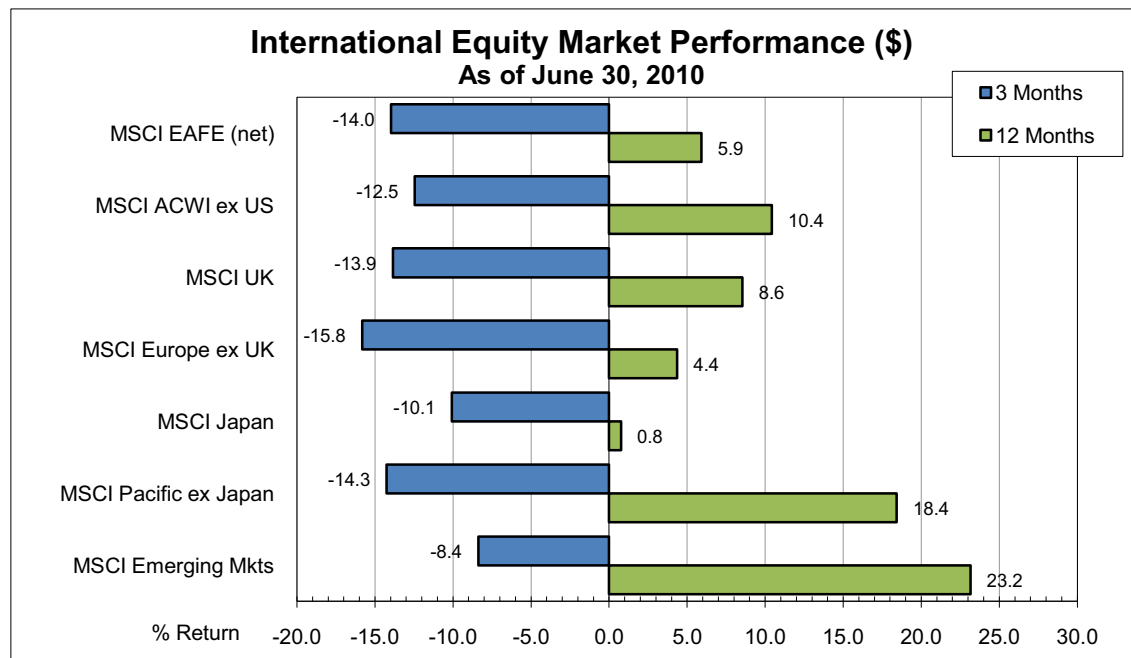
Spreads widened in the fixed income market this quarter after a year of contraction (coinciding with the equity rally in March 2009). Treasuries generated the strongest performance, followed by Credit and Mortgages. High Yield was the only negative segment of the market, suffering from the flight to quality as High Yield is highly correlated to the equity markets.

The appreciation in fixed income securities reduced the yield to maturity of the Barclays Capital U.S. Aggregate Index to a record low level (2.8%) in June.

In the future, the fixed income market faces historically low yields, the withdrawal of the Government's intervention, and an increase in Treasury issuance. The market will also be influenced by the Federal Reserve's actions, as it manages the difficult task of balancing expansionary policies (and preventing deflation) with inflation control.

| Total Returns - Periods Ending June 30, 2010              |          |        |         |            |
|---|----------|--------|---------|------------|
|   | 3 Months | 1 Year | 3 Years | 5 Years    |
| Barclays Aggregate  | 3.49     | 9.50   | 7.55    | 5.54       |
| Barclays Intm G/C   | 2.97     | 8.28   | 6.98    | 5.26       |
| Barclays G/C  | 3.88     | 9.65   | 7.37    | 5.26       |
| Barclays Govt   | 4.25     | 6.46   | 7.58    | 5.37       |
| Barclays Credit   | 3.27     | 14.69  | 7.41    | 5.31       |
| Barclays Mortgage   | 2.87     | 7.48   | 8.24    | 6.23       |
| Barclays High Yield                                       | (0.11)   | 26.77  | 6.54    | 7.17       |
| Barclays U.S TIPS   | 3.82     | 9.52   | 7.62    | 4.99       |
| Barclays 1-3 Yr Govt                                      | 1.16     | 2.86   | 4.95    | 4.37       |
| Barclays Long Govt  | 11.48    | 12.19  | 10.45   | 6.02       |
| Returns are annualized for periods greater than one year. |          |        |         |            |
| Credit Spreads (in basis points)                          |          |        |         |            |
|   | Mar-10   | Jun-10 | Change  | 10-Yr Avg. |
| Aaa   | 57       | 80     | 23      | 67         |
| Aa  | 95       | 137    | 42      | 117        |
| A   | 140      | 187    | 47      | 166        |
| Baa   | 188      | 241    | 53      | 236        |
| Ba  | 435      | 568    | 133     | 444        |
| B   | 565      | 726    | 161     | 640        |
| Caa   | 814      | 1035   | 221     | 1158       |

# INTERNATIONAL EQUITY MARKET



## MSCI Country Indexes (Net) Three Months Ending June 30, 2010

|                       | Return<br>US\$ (%) | Return<br>Local<br>Currency (%) | Currency<br>Effect (%) |
|-----------------------|--------------------|---------------------------------|------------------------|
| France                | -18.9              | -10.4                           | -8.5                   |
| Germany               | -12.8              | -3.7                            | -9.1                   |
| Italy                 | -21.6              | -13.4                           | -8.2                   |
| Spain                 | -20.8              | -12.5                           | -8.3                   |
| Switzerland           | -11.8              | -9.6                            | -2.2                   |
| UK                    | -13.9              | -12.7                           | -1.2                   |
| <b>Europe Total</b>   | <b>-15.2</b>       | <b>-9.9</b>                     | <b>-5.3</b>            |
| Australia             | -19.0              | -12.0                           | -7.0                   |
| Hong Kong             | -5.8               | -5.6                            | -0.3                   |
| Japan                 | -10.1              | -14.8                           | 4.8                    |
| <b>Pacific Total</b>  | <b>-11.6</b>       | <b>-13.1</b>                    | <b>1.5</b>             |
| China                 | -4.6               | -4.4                            | -0.3                   |
| India                 | -2.2               | 1.1                             | -3.4                   |
| Brazil                | -15.3              | -14.4                           | -0.8                   |
| Mexico                | -9.0               | -4.9                            | -4.1                   |
| <b>Emerging Total</b> | <b>-8.4</b>        | <b>-5.6</b>                     | <b>-2.8</b>            |

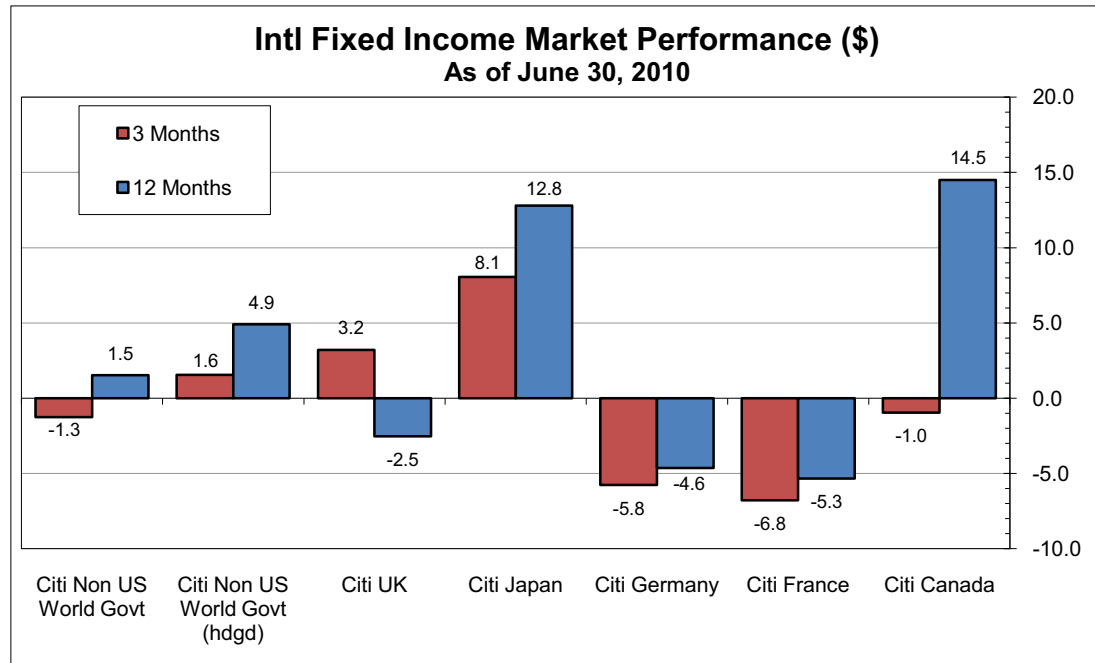
**Where's the Growth:** Returns around the globe were negative for the quarter. The Emerging Markets posted the strongest returns, followed by Asia, and Europe brought up the rear (to no one's surprise). As was the case stateside, defensive sectors led the way in foreign equity markets.

European markets continue to suffer from the fallout of the Greek debt crisis and fears of contagion. Like the U.S., the initial European economic recovery was primarily driven by government stimulus. But the potential impact of fiscal austerity programs on economic growth is eroding any confidence in the recovery. The recently adopted assistance programs from the European Central Bank to fiscally challenged countries has mildly softened the blow.

The developed Asian markets were once again led by Japan. Japan's strong rebound in exports (notably to other Asian countries) has been the primary driver of its relatively strong performance. On the domestic front, Japan continues to implement policies to spur economic growth in an effort to battle deflationary conditions.

The Emerging Markets declined the least during the quarter and were led by India and China. In India, non-agricultural sectors continue to perform well. In China, the government is attempting to cool the economy, targeting growth in the high single digits to low double digits. Domestic demand in the Emerging Markets is expected to be a significant driver of growth in the future.

# INTERNATIONAL BOND MARKET



## Citigroup World Government Bond Indexes Three Months Ending June 30, 2010

|                     | Return<br>US\$ (%) | Return<br>Local<br>Currency (%) | Currency<br>Effect(%) |
|---------------------|--------------------|---------------------------------|-----------------------|
| Austria             | -6.8               | 3.0                             | -9.8                  |
| Belgium             | -8.5               | 1.1                             | -9.6                  |
| Denmark             | -4.5               | 5.6                             | -10.1                 |
| France              | -6.8               | 3.0                             | -9.8                  |
| Germany             | -5.8               | 4.1                             | -9.9                  |
| Ireland             | -13.9              | -4.9                            | -9.0                  |
| Italy               | -10.7              | -1.4                            | -9.3                  |
| Netherlands         | -6.0               | 3.8                             | -9.8                  |
| Spain               | -13.5              | -4.5                            | -9.1                  |
| Sweden              | -4.4               | 3.4                             | -7.8                  |
| Switzerland         | -0.1               | 2.4                             | -2.5                  |
| UK                  | 3.2                | 4.6                             | -1.4                  |
| <b>Europe Total</b> | -9.4               | 0.1                             | -9.5                  |
| Japan               | 8.1                | 2.3                             | 5.7                   |
| Australia           | -4.1               | 4.3                             | -8.3                  |
| Canada              | -1.0               | 3.8                             | -4.7                  |

**National Strength:** Global fixed income markets tended to rally during the quarter as investors feared the economic recovery was slowing and favored the stability of governmental securities. However, not all government bonds are created equal. With few exceptions, the dollar continued to rally against most currencies during the quarter and hindered performance for U.S. investors.

In Europe, the European Central Bank (ECB) instituted new programs to help alleviate the sovereign debt crisis in several of the member nations, including the creation of a €750 billion aid package and Euro-area government bond purchases. Moody's downgraded the debt of Portugal during the quarter, and Spain and Italy established austerity measures to help control their rising debt issues. Individual country performance varied greatly, with fiscally strong nations posting strong returns and problematic countries struggling (Greece -18.0%, Portugal -6.6%, Spain -4.5%).

In the U.K., economic fundamentals showed improvement during the quarter. However, the strength of future expansion is in doubt. With the hope inflation would decline below the 3% limit in the coming months, the Bank of England maintained rates at 0.5%. In May, the new government (Conservative-Liberal Democrat coalition) proposed policies to cut spending and raise revenues to ease the concerns of rating agencies. The yield curve remained very steep and Gilts (U.K. governmental issues) were the top performers.

In Japan, exports to China and other Asian countries are providing economic growth. However, deflationary issues continued and domestic consumption slowed. The fixed income market participated in the global rally and the Yen appreciated during the quarter.

The emerging fixed income market was volatile this quarter, with gains in April and June more than offsetting losses in May (JPM EMBI Global Index 1.2% in 2Q). Fundamentally, these countries have lower debt levels and growing economies. The asset class is also benefiting from investors' search for higher

## SELECTED INDEX RETURNS - PERIODS ENDING JUNE 30, 2010

|                                     | Quarter | One Year | Three Years | Five Years | Ten Years |
|-------------------------------------|---------|----------|-------------|------------|-----------|
| <b>US EQUITIES</b>                  |         |          |             |            |           |
| Dow Jones Industrial Average        | (9.4)   | 18.9     | (7.4)       | 1.7        | 1.7       |
| Standard & Poors 500                | (11.4)  | 14.4     | (9.8)       | (0.8)      | (1.6)     |
| Russell 3000                        | (11.3)  | 15.7     | (9.5)       | (0.5)      | (0.9)     |
| S&P MidCap 400                      | (9.6)   | 24.9     | (5.9)       | 2.2        | 5.3       |
| Russell Mid-Cap                     | (9.9)   | 25.1     | (8.2)       | 1.2        | 4.2       |
| S&P SmallCap 600                    | (8.7)   | 23.6     | (7.6)       | 0.8        | 5.6       |
| Russell 2000                        | (9.9)   | 21.5     | (8.6)       | 0.4        | 3.0       |
| Growth Stocks - Russell 3000 Growth | (11.6)  | 14.0     | (7.0)       | 0.4        | (4.9)     |
| Value Stocks - Russell 3000 Value   | (11.1)  | 17.6     | (12.1)      | (1.6)      | 2.7       |

|                            |       |      |      |     |     |
|----------------------------|-------|------|------|-----|-----|
| <b>US FIXED INCOME</b>     |       |      |      |     |     |
| Barclays Aggregate         | 3.5   | 9.5  | 7.6  | 5.5 | 6.5 |
| Barclays Intm Govt/Credit  | 3.0   | 8.3  | 7.0  | 5.3 | 6.1 |
| Barclays Govt/Credit       | 3.9   | 9.7  | 7.4  | 5.3 | 6.5 |
| Barclays Government        | 4.3   | 6.5  | 7.6  | 5.4 | 6.2 |
| Barclays Credit            | 3.3   | 14.7 | 7.4  | 5.3 | 6.9 |
| Barclays Mortgage          | 2.9   | 7.5  | 8.2  | 6.2 | 6.5 |
| Barclays High Yield        | (0.1) | 26.8 | 6.5  | 7.2 | 7.3 |
| Barclays U.S TIPS          | 3.8   | 9.5  | 7.6  | 5.0 | 7.5 |
| Barclays 1-3 Yr Government | 1.2   | 2.9  | 5.0  | 4.4 | 4.5 |
| Barclays Long Government   | 11.5  | 12.2 | 10.5 | 6.0 | 8.1 |

|   |        |      |        |      |       |
|---|--------|------|--------|------|-------|
| <b>INTERNATIONAL (Measured in US Dollars)</b> |        |      |        |      |       |
| MSCI EAFE (Net)                               | (14.0) | 5.9  | (13.4) | 0.9  | 0.2   |
| MSCI ACWI ex U.S. (Net)                       | (12.5) | 10.4 | (10.7) | 3.4  | 1.9   |
| MSCI Europe (Net)                             | (15.2) | 5.7  | (15.0) | 0.3  | 0.4   |
| MSCI Pacific (Net)                            | (11.6) | 6.4  | (9.9)  | 2.1  | (0.6) |
| MSCI Emerging Markets (Net)                   | (8.4)  | 23.2 | (2.5)  | 12.7 | 10.0  |
| Citigroup Non-U.S. Govt Bond                  | (1.3)  | 1.5  | 7.7    | 5.0  | 6.4   |

|                       |     |       |       |       |     |
|-----------------------|-----|-------|-------|-------|-----|
| <b>REAL ESTATE</b>    |     |       |       |       |     |
| NAREIT Index          | 3.7 | 50.3  | (9.4) | (0.8) | 9.4 |
| NCREIF Property Index | 3.3 | (1.5) | (4.7) | 3.8   | 7.2 |

|                                       |       |     |     |     |     |
|---------------------------------------|-------|-----|-----|-----|-----|
| <b>OTHER</b>                          |       |     |     |     |     |
| 91-Day T-Bills                        | 0.0   | 0.2 | 1.6 | 2.8 | 2.7 |
| Consumer Price Index (percent change) | 0.2   | 1.1 | 1.5 | 2.3 | 2.4 |
| Producer Price Index (percent change) | (0.9) | 2.7 | 2.3 | 3.0 | 2.6 |

**Note:** Returns for periods longer than 12 months are annualized.

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## OVERVIEW

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### PORTFOLIO EVALUATION

- ♦ The total market value of the fund as of June 30, 2010 was \$953.7 million and had a return of -3.53% for the quarter.
- ♦ Over the past twelve months, the fund returned 12.75%.

### INVESTMENT POLICY AND OBJECTIVES

- ♦ Fund is expected to outperform its actuarial target of 8% over one complete market cycle of 3 to 5 years.
- ♦ Annual performance is expected to outperform an index comprised of a 25% S&P 500, 20% Midcap, 10% Smallcap, 30% BGI Aggregate index, and 15% BGI Intermediate Govt/Credit.
- ♦ The fund is expected to remain fully funded with respect to the actuarial accrued liability.
- ♦ All investment managers are expected to rank in the top 40% of their respective universes.

### PLAN RECONCILIATION

|                                      | <u>Quarter</u>            |
|--------------------------------------|---------------------------|
| <b><u>Beginning Market Value</u></b> | <b>994,905,312</b>        |
| Cash Flow In                         | 29,917,527                |
| Intrafund Transfers                  | 23,888,523                |
| Cash Flow Out                        | <u>-60,199,072</u>        |
| <b>Net Cash Flow</b>                 | <b>-6,393,021</b>         |
| <b>Investment Performance</b>        |                           |
| Income                               | 6,976,216                 |
| Asset Value Changes                  | <u>-41,830,935</u>        |
| <b>Gross Performance</b>             | <b>-34,854,719</b>        |
| <b><u>Ending Market Value</u></b>    | <b><u>953,657,572</u></b> |

### RECOMMENDATIONS

# Atlanta General Employees Pension Fund

## Executive Summary Table

### Periods Ending June 30, 2010

| Name                        | Value<br>\$(000) | % of<br>Fund | Periods Ending 6/30/10 |              |              |              |              |              |              |
|-----------------------------|------------------|--------------|------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                             |                  |              | Cur Qtr                | 2 Qtrs       | 1 Year       | 2 Yrs        | 3 Yrs        | 5 Yrs        | 10 Yrs       |
| <b>Total Fund Composite</b> | <b>953,658</b>   | <b>100.0</b> | <b>-3.53</b>           | <b>0.67</b>  | <b>12.75</b> | <b>0.98</b>  | <b>-0.26</b> | <b>3.14</b>  | <b>3.46</b>  |
| Policy Index                |                  |              | -4.28                  | 0.33         | 15.29        | 0.79         | -0.60        | 3.34         | 2.91         |
| <b>Large Cap Composite</b>  | <b>200,056</b>   | <b>21.0</b>  | <b>-11.38</b>          | <b>-7.29</b> | <b>11.51</b> | <b>-7.20</b> | <b>-8.11</b> | <b>-1.05</b> | <b>-0.32</b> |
| Standard & Poors 500        |                  |              | -11.43                 | -6.67        | 14.40        | -8.12        | -9.81        | -0.79        | -1.59        |
| EARNEST Partners Large Cap  | 58,911           | 6.2          | -11.24                 | -5.93        | 16.20        | -6.49        | -9.09        | -0.56        | 0.22         |
| Standard & Poors 500        |                  |              | -11.43                 | -6.67        | 14.40        | -8.12        | -9.81        | -0.79        | -1.59        |
| GLOBALT Inc.                | 63,743           | 6.7          | -11.64                 | -8.57        | 10.57        | -7.09        | -6.35        | -0.89        | -3.26        |
| Standard & Poors 500        |                  |              | -11.43                 | -6.67        | 14.40        | -8.12        | -9.81        | -0.79        | -1.59        |
| New Amsterdam Partners      | 57,663           | 6.0          | -12.14                 | -8.09        | 7.49         | -9.32        | -10.41       | -2.27        | 0.58         |
| Standard & Poors 500        |                  |              | -11.43                 | -6.67        | 14.40        | -8.12        | -9.81        | -0.79        | -1.59        |
| Union Heritage Capital      | 19,739           | 2.1          | -8.64                  | -4.66        | 13.30        | -2.92        | -4.12        | 1.67         | 1.48         |
| Standard & Poors 500        |                  |              | -11.43                 | -6.67        | 14.40        | -8.12        | -9.81        | -0.79        | -1.59        |
| <b>Mid Cap Composite</b>    | <b>153,676</b>   | <b>16.1</b>  | <b>-10.37</b>          | <b>-1.84</b> | <b>25.12</b> | <b>-8.30</b> | <b>-8.63</b> | <b>-2.00</b> | <b>1.49</b>  |
| S&P Midcap 400              |                  |              | -9.59                  | -1.36        | 24.93        | -5.17        | -5.90        | 2.21         | 5.29         |
| Madison Square Investors    | 51,598           | 5.4          | -10.30                 | -2.55        | 24.25        | -8.98        | -9.35        |              |              |
| Russell MidCap              |                  |              | -9.87                  | -2.06        | 25.13        | -6.65        | -8.19        |              |              |
| Ceredex MidCap Value        | 51,449           | 5.4          | -10.56                 | -3.96        |              |              |              |              |              |
| Russell MidCap Value        |                  |              | -9.57                  | -0.88        |              |              |              |              |              |
| Wellington Mgmt             | 50,629           | 5.3          | -10.26                 | -1.65        | 24.31        | -9.90        | -9.64        |              |              |
| S&P Midcap 400              |                  |              | -9.59                  | -1.36        | 24.93        | -5.17        | -5.90        |              |              |
| <b>Small Cap Composite</b>  | <b>83,492</b>    | <b>8.8</b>   | <b>-8.36</b>           | <b>0.22</b>  | <b>25.33</b> | <b>-2.55</b> | <b>-6.41</b> | <b>1.82</b>  | <b>8.15</b>  |
| Russell 2000                |                  |              | -9.93                  | -1.96        | 21.48        | -4.56        | -8.60        | 0.37         | 3.00         |

# Atlanta General Employees Pension Fund

## Executive Summary Table

### Periods Ending June 30, 2010

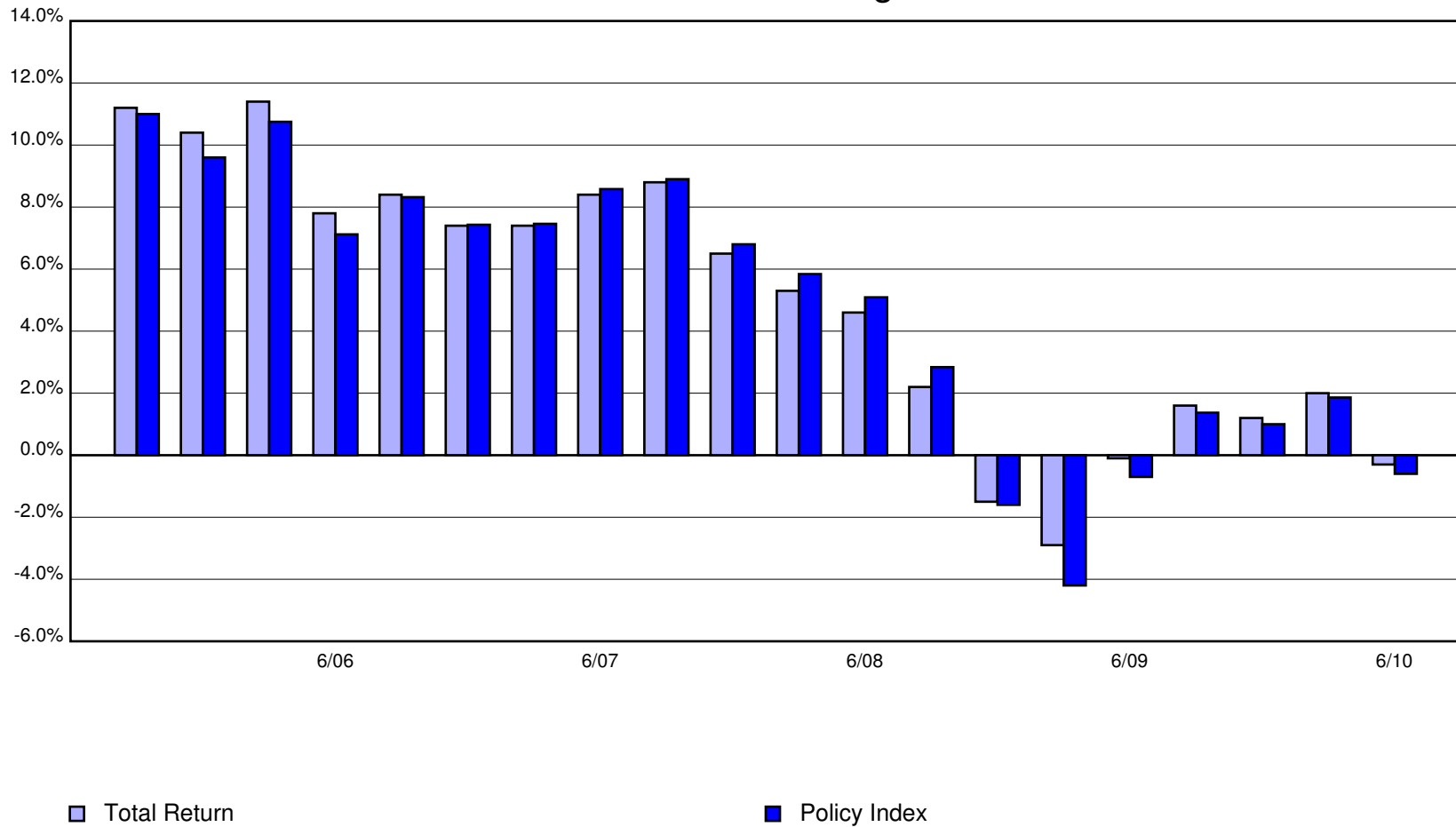
| Name                          | Value<br>\$(000) | % of<br>Fund | Periods Ending 6/30/10 |             |             |             |             |             |             |
|-------------------------------|------------------|--------------|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                               |                  |              | Cur Qtr                | 2 Qtrs      | 1 Year      | 2 Yrs       | 3 Yrs       | 5 Yrs       | 10 Yrs      |
| EARNEST Partners Small Cap    | 39,316           | 4.1          | -7.59                  | -0.08       | 25.09       | -1.96       | -6.15       | -0.98       | 9.33        |
| Russell 2000                  |                  |              | -9.93                  | -1.96       | 21.48       | -4.56       | -8.60       | 0.37        | 3.00        |
| Jennison                      | 44,176           | 4.6          | -9.03                  | 0.35        | 25.36       | -3.14       | -5.84       |             |             |
| Russell 2000                  |                  |              | -9.93                  | -1.96       | 21.48       | -4.56       | -8.60       |             |             |
| <b>Fixed Income Composite</b> | <b>493,235</b>   | <b>51.7</b>  | <b>3.40</b>            | <b>5.40</b> | <b>9.23</b> | <b>8.51</b> | <b>8.28</b> | <b>6.14</b> | <b>6.33</b> |
| Barclays U.S. Aggregate       |                  |              | 3.49                   | 5.33        | 9.50        | 7.76        | 7.55        | 5.54        | 6.47        |
| Atlanta Capital               | 160,049          | 16.8         | 2.88                   | 4.34        | 6.77        | 7.19        | 7.53        | 5.65        |             |
| Barclays Int Govt/Credit      |                  |              | 2.97                   | 4.55        | 8.28        | 6.77        | 6.98        | 5.26        |             |
| JP Morgan/Bank One            | 166,010          | 17.4         | 3.71                   | 5.94        | 9.51        | 8.57        | 8.43        | 6.25        |             |
| Barclays U.S. Aggregate       |                  |              | 3.49                   | 5.33        | 9.50        | 7.76        | 7.55        | 5.54        |             |
| Mesirow                       | 167,176          | 17.5         | 3.60                   | 5.90        | 11.41       | 9.75        | 8.83        |             |             |
| Barclays U.S. Aggregate       |                  |              | 3.49                   | 5.33        | 9.50        | 7.76        | 7.55        |             |             |
| BONY Enhanced Cash            | 9,481            | 1.0          | 0.02                   | 0.04        | 0.12        | 0.38        |             |             |             |
| Cash Account                  | 12,001           | 1.3          | 0.02                   | 0.05        | 0.36        | 0.64        |             |             |             |
| Certificates of Deposit       | 198              | 0.0          | 0.00                   | 0.00        | 0.00        | 0.00        |             |             |             |
| Security Lending              | 1,517            | 0.2          | 0.02                   | 0.04        | 0.11        | 0.52        |             |             |             |
|                               |                  |              |                        |             |             |             |             |             |             |

# Atlanta General Employees Pension Fund

## Performance Consistency

### Total Fund Composite

### 3 Years Rolling



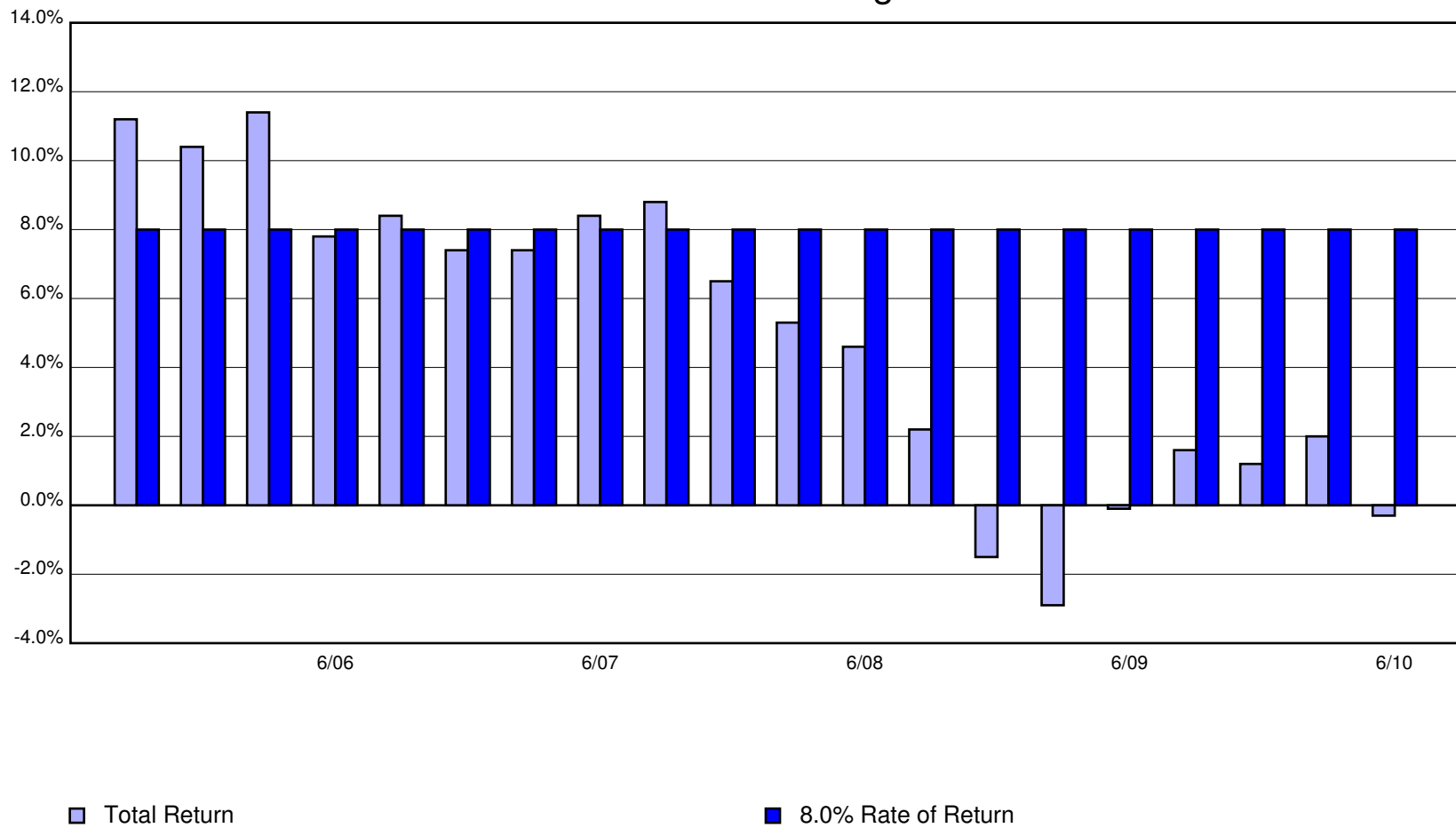


# Atlanta General Employees Pension Fund

## Performance Consistency

### Total Fund Composite

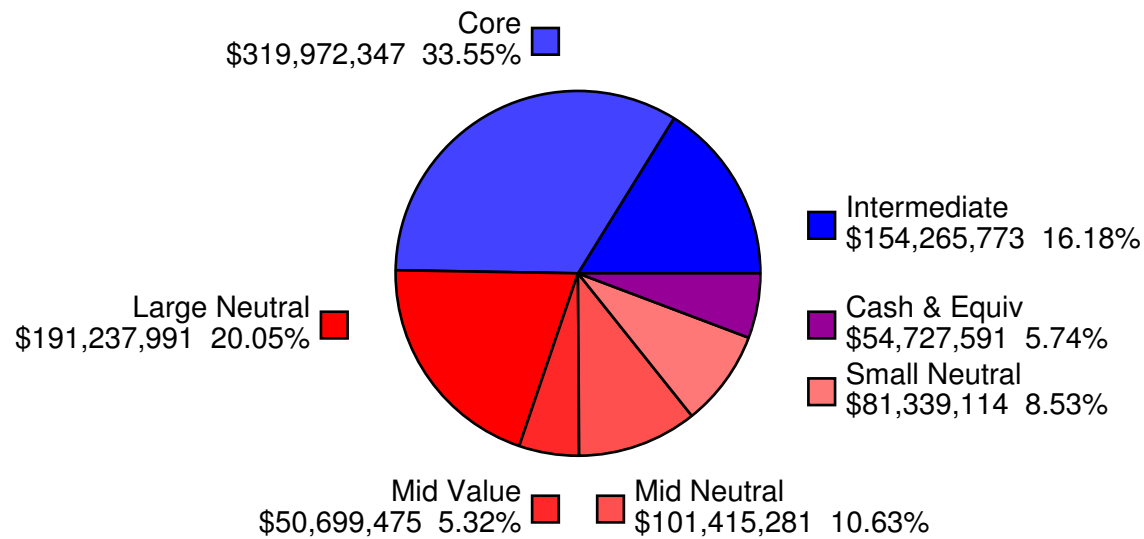
### 3 Years Rolling



# Atlanta General Employees Pension Fund Asset And Policy Allocation Total Fund Composite

June 30, 2010

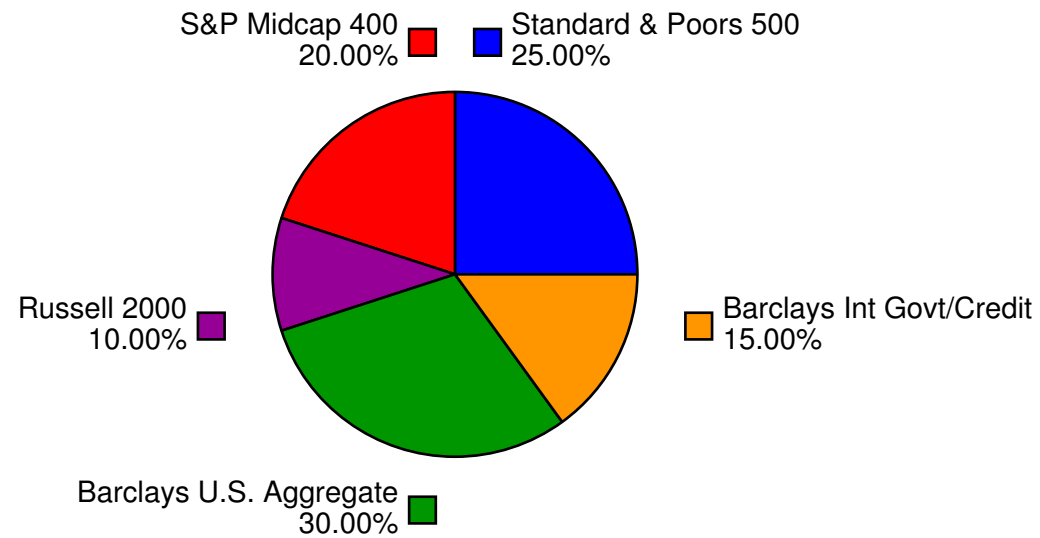
\$953,657,572



# Atlanta General Employees Pension Fund Asset And Policy Allocation Total Fund Composite

June 30, 2010

Policy Index



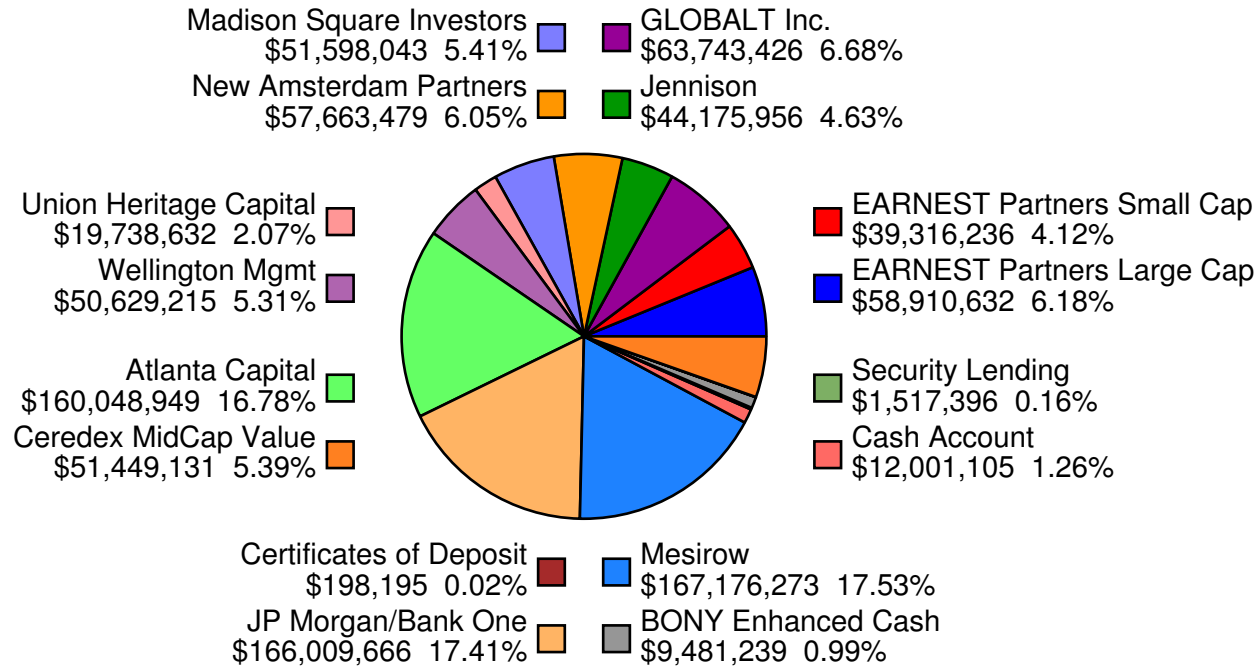
# Atlanta General Employees Pension Fund

## Total Fund Allocation By Manager

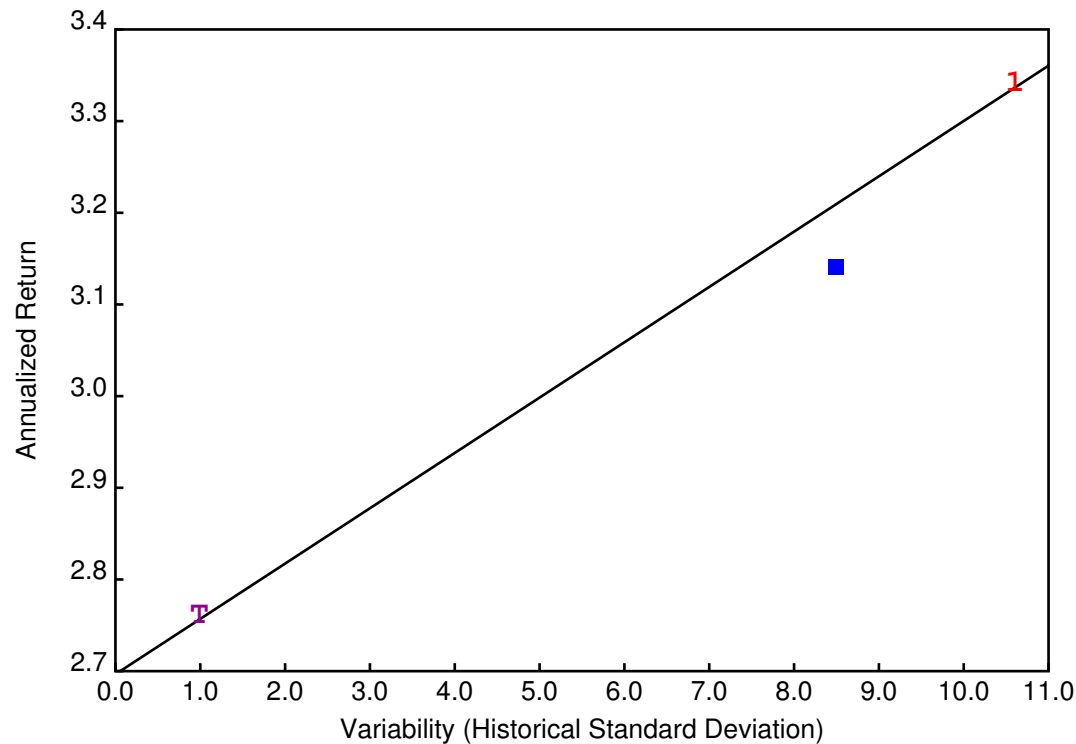
### Total Fund Composite

June 30, 2010

\$953,657,572



# Atlanta General Employees Pension Fund Quarterly Total Return Market Line Analysis Periods from 6/05 to 6/10



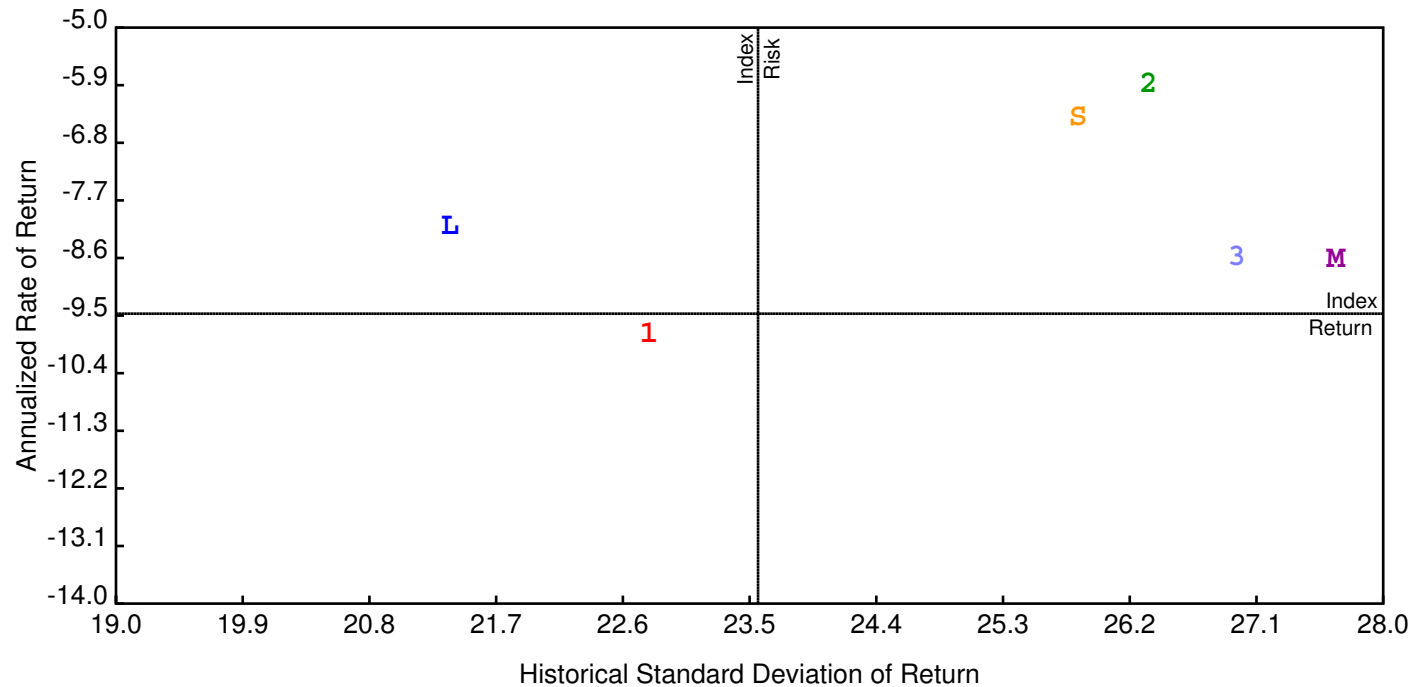
|                        | Annualized<br>Return | Variability | Reward | Sharpe<br>Ratio |
|------------------------|----------------------|-------------|--------|-----------------|
| ■ Total Fund Composite | 3.14                 | 8.57        | 0.38   | 0.04            |
| 1 Policy Index         | 3.34                 | 10.66       | 0.58   | 0.05            |
| T 91-Day Treasury Bill | 2.76                 | 1.05        | 0.00   | 0.00            |

# Atlanta General Employees Pension Fund

## Return vs Risk

### Total Returns

### 3 Years Ending 6/30/10



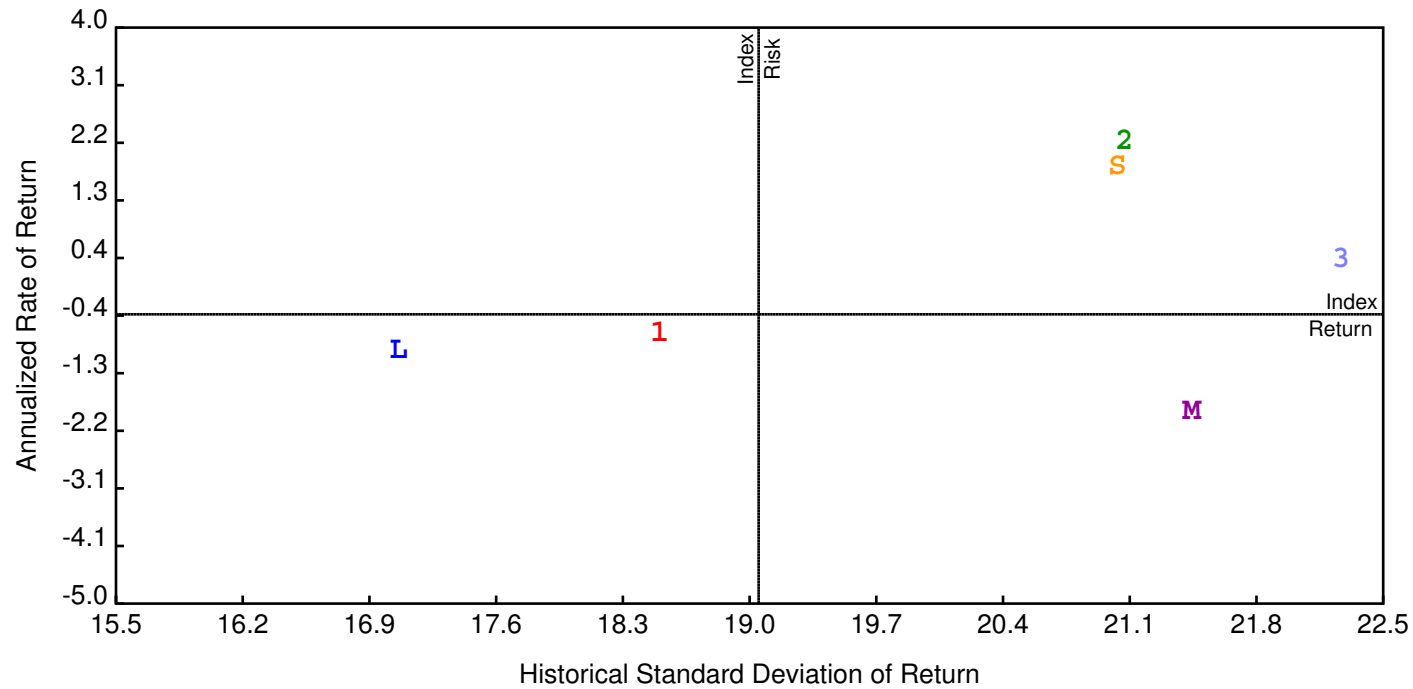
|                               | Annualized Return | Standard Deviation |
|-------------------------------|-------------------|--------------------|
| <b>L</b> Large Cap Composite  | -8.11             | 21.41              |
| <b>1</b> Standard & Poors 500 | -9.81             | 22.82              |
| <b>M</b> Mid Cap Composite    | -8.63             | 27.70              |
| <b>2</b> S&P Midcap 400       | -5.90             | 26.37              |
| <b>S</b> Small Cap Composite  | -6.41             | 25.87              |
| <b>3</b> Russell 2000         | -8.60             | 27.00              |
| Russell 3000                  | -9.47             | 23.56              |

# Atlanta General Employees Pension Fund

## Return vs Risk

### Total Returns

### 5 Years Ending 6/30/10

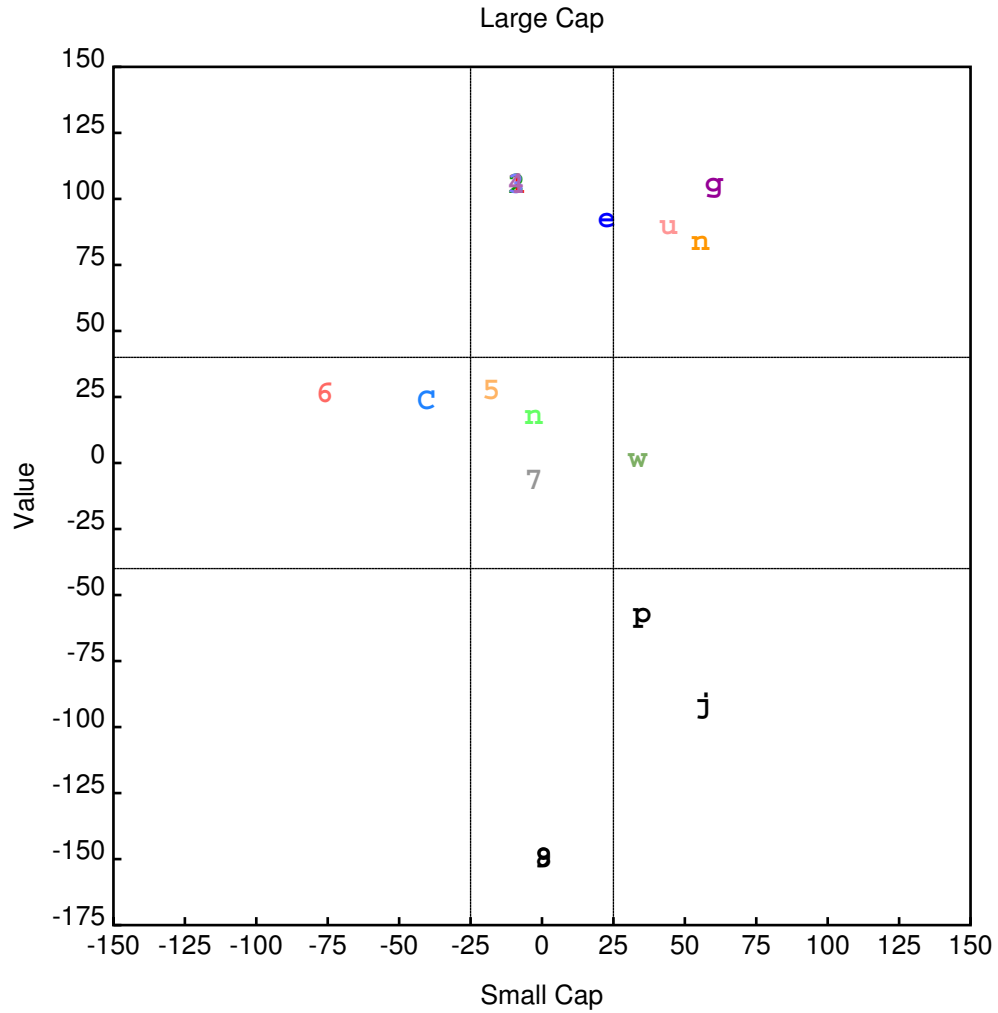


|   |                      | Annualized Return | Standard Deviation |
|---|----------------------|-------------------|--------------------|
| L | Large Cap Composite  | -1.05             | 17.09              |
| 1 | Standard & Poors 500 | -0.79             | 18.53              |
| M | Mid Cap Composite    | -2.00             | 21.47              |
| 2 | S&P Midcap 400       | 2.21              | 21.10              |
| S | Small Cap Composite  | 1.82              | 21.06              |
| 3 | Russell 2000         | 0.37              | 22.30              |
|   | Russell 3000         | -0.48             | 19.05              |

# Atlanta General Employees Pension Fund

## Equity Style Map

Quarter Ended 6/30/10



|                              | Growth-Value | Size    |
|------------------------------|--------------|---------|
| e EARNEST Partners Large Cap | 24.27        | 92.12   |
| 1 Standard & Poors 500       | -7.01        | 104.82  |
| g GLOBALT Inc.               | 62.16        | 105.16  |
| 2 Standard & Poors 500       | -7.01        | 104.82  |
| n New Amsterdam Partners     | 57.37        | 83.13   |
| 3 Standard & Poors 500       | -7.01        | 104.82  |
| u Union Heritage Capital     | 46.18        | 89.35   |
| 4 Standard & Poors 500       | -7.01        | 104.82  |
| n Madison Square Investors   | -1.03        | 17.55   |
| 5 Russell MidCap             | -15.96       | 26.79   |
| c Ceredex MidCap Value       | -38.80       | 23.13   |
| 6 Russell MidCap Value       | -74.12       | 25.54   |
| w Wellington Mgmt            | 35.33        | 1.24    |
| 7 S&P Midcap 400             | -0.87        | -7.35   |
| p EARNEST Partners Small Cap | 36.92        | -57.50  |
| 8 Russell 2000               | 2.35         | -150.47 |
| j Jennison                   | 58.64        | -92.19  |
| 9 Russell 2000               | 2.35         | -150.47 |



Atlanta General Employees Pension Fund  
Equity Summary Statistics  
Total Fund Composite  
Period Ending 6/10

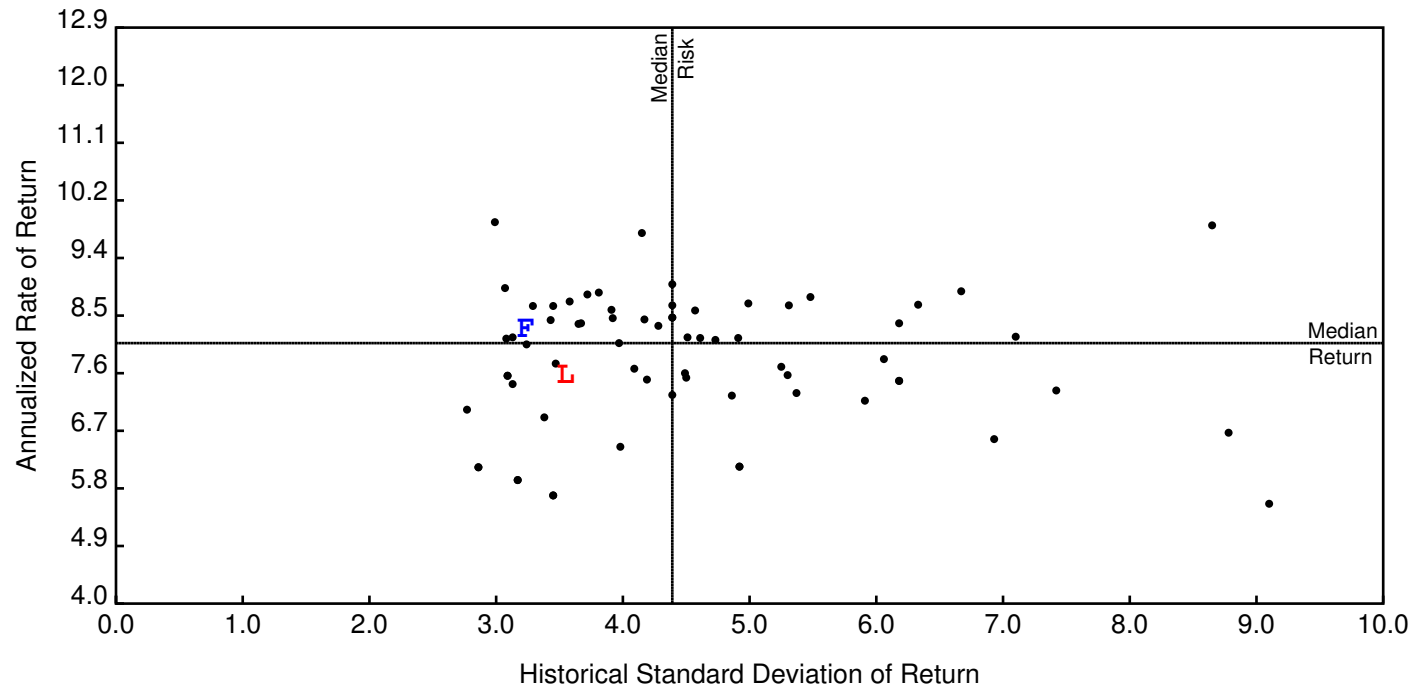
|                                | Portfolio   |           | Russell 3000  | Ten Best Performers  | Quarterly Ret |
|--------------------------------|-------------|-----------|---------------|----------------------|---------------|
| Total Number Of Securities     | 620         |           | 2,996         | Netflix Com Inc      | 47.34         |
| Equity Market Value            | 424,691,860 |           |               | Glg Partners Inc     | 42.67         |
| Average Capitalization \$(000) | 26,523,254  |           | 60,992,744    | Sybase Inc           | 38.70         |
| Median Capitalization \$(000)  | 3,609,096   |           | 744,627       | Sonicwall Inc        | 35.21         |
| Equity Segment Yield           | 1.43        |           | 2.04          | Akamai Technologies  | 29.16         |
| Equity Segment P/E - Average   | 17.85       |           | 18.03         | Mwi Veterinary Suppl | 24.41         |
| Equity Segment P/E - Median    | 15.96       |           | 14.06         | Valeant Pharmaceutic | 21.86         |
| Equity Segment Beta            | 1.13        |           | 1.04          | Sandisk Corp         | 21.48         |
| Price/Book Ratio               | 1.91        |           | 1.80          | Chipotle Mexican Gri | 21.43         |
| Debt/Equity Ratio              | 42.65       |           | 42.99         | Cimarex Energy Co    | 20.68         |
| Five Year Earnings Growth      | 5.71        |           | 4.57          |                      |               |
|                                |             |           |               |                      |               |
| Ten Largest Holdings           | Mkt Value   | % of Port | Quarterly Ret | Ten Worst Performers | Quarterly Ret |
| Intl Business McHn             | 5,889,996   | 1.39      | -3.21         | Office Depot Inc     | -49.37        |
| Intel Corp                     | 3,878,330   | 0.91      | -12.00        | Transocean Ltd Zug   | -46.36        |
| Target Corp                    | 3,869,679   | 0.91      | -6.23         | Aviat Networks Inc   | -45.25        |
| Express Scripts Inc            | 3,611,136   | 0.85      | -7.59         | Sears Hldgs Corp     | -40.38        |
| Cisco Sys Inc                  | 3,607,783   | 0.85      | -18.13        | Waddell & Reed Finl  | -39.29        |
| Microsoft Corp                 | 3,596,463   | 0.85      | -21.03        | United States Stl Co | -39.26        |
| Apple Computer Inc             | 3,571,726   | 0.84      | 7.07          | Janus Cap Group Inc  | -37.67        |
| E M C Corp Mass                | 3,438,570   | 0.81      | 1.44          | American Eagle Outfi | -35.98        |
| Disney Walt Prodtns            | 3,146,850   | 0.74      | -9.77         | Memc Electr Matls In | -35.55        |
| Goldman Sachs Group            | 3,006,083   | 0.71      | -22.88        | Intrepid Potash Inc  | -35.48        |

# Atlanta General Employees Pension Fund

## Return vs Risk

### Total Returns of Core Portfolios

### 3 Years Ending 6/30/10



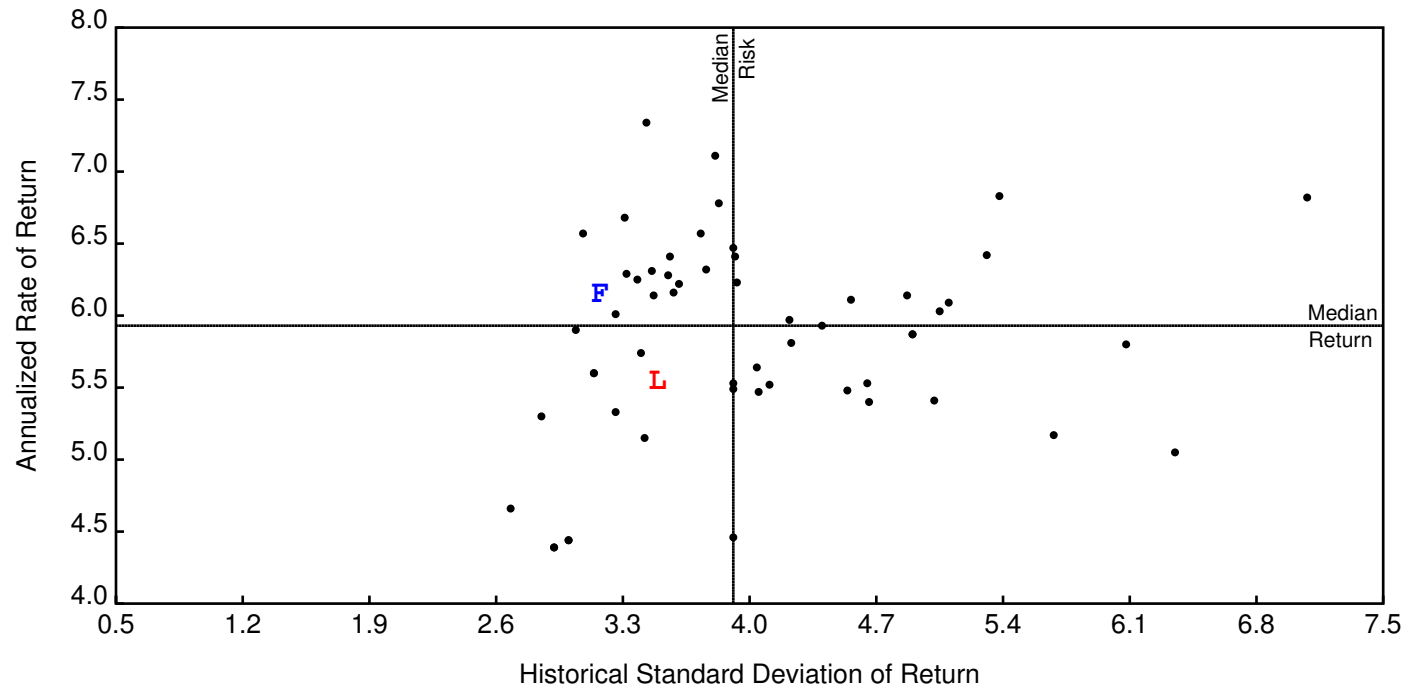
|                           | Annualized Return |      | Standard Deviation |      |
|---------------------------|-------------------|------|--------------------|------|
|                           | Value             | Rank | Value              | Rank |
| F Fixed Income Composite  | 8.28              | 38   | 3.27               | 20   |
| L Barclays U.S. Aggregate | 7.55              | 62   | 3.59               | 31   |
| Median                    | 8.07              |      | 4.39               |      |

# Atlanta General Employees Pension Fund

## Return vs Risk

### Total Returns of Core Portfolios

### 5 Years Ending 6/30/10



|        |                         | Annualized Return |      | Standard Deviation |      |
|--------|-------------------------|-------------------|------|--------------------|------|
|        |                         | Value             | Rank | Value              | Rank |
| F      | Fixed Income Composite  | 6.14              | 39   | 3.20               | 19   |
| L      | Barclays U.S. Aggregate | 5.54              | 63   | 3.52               | 37   |
| Median |                         | 5.93              |      | 3.91               |      |

## MARKET SECTOR DIVERSIFICATION

### EQUITIES

|   |        | Style                                      |          |                                  |              |       |
|---|--------|--|----------|----------------------------------|--------------|-------|
|   |        | Value                                      | Market   | Growth                           | Quantitative | Index |
| U.S.<br>S<br>E<br>C<br>T<br>O<br>R<br><br>F<br>O<br>C<br>U<br>S | Large  | Earnest<br>Partners<br>Union -<br>Heritage |          | Globalt<br>New Amst.             |              |       |
|   |        | Madison Square<br>Ceredex<br>Wellington    |          | Madison Square<br><br>Wellington |              |       |
|   | Medium | Earnest<br>Partners                        | Jennison |                                  |              |       |
|   |        |  |          |                                  |              |       |
|   | Small  |  |          |                                  |              |       |
|   |        |  |          |                                  |              |       |
| Non-<br>U.S.  | Large  |  |          |                                  |              |       |
|   |        |  |          |                                  |              |       |
|   | Small  |  |          |                                  |              |       |

### FIXED INCOME

|  |                       | Style                        |                          |   |       |
|--|-----------------------|------------------------------|--------------------------|---|-------|
|  |                       | Rate                         | Maturity<br>Differential | Sector<br>Allocation                    | Index |
| U.S.<br><br>S<br>E<br>C<br>U<br>R<br>I<br>T<br>Y<br><br>T<br>Y<br>P<br>E | U.S. Govt.            | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  |                       | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  | Mortgage              | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  |                       | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  | Asset<br>Backed       | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  |                       | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  | Corporates            | Atlanta Capital<br>JP Morgan | Atlanta Capital          | Atlanta Capital<br>JP Morgan<br>Mesirow |       |
|  |                       |                              |                          |   |       |
|  | Euro<br>Dollar        |                              |                          |   |       |
|  |                       |                              |                          |   |       |
|  | High Yield            |                              |                          |   |       |
|  | Private<br>Placements |                              |                          |   |       |

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                           | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs  | 5 Yrs | 10 Yrs |
|-----------------------------------|--------|-------|--------|-------|--------|-------|--------|
| <b>EARNEST Partners Large Cap</b> |        |       |        |       |        |       |        |
| Total Return                      | -11.24 | -5.93 | 16.20  | -6.49 | -9.09  | -0.56 | 0.22   |
| Total Return (Net of Fees)        | -11.31 | -6.15 | 15.61  | -6.93 | -9.48  | -0.92 | -0.08  |
| Standard & Poors 500              | -11.43 | -6.67 | 14.40  | -8.12 | -9.81  | -0.79 | -1.59  |
| Variance                          | 0.19   | 0.74  | 1.79   | 1.62  | 0.71   | 0.24  | 1.81   |
| Russell 1000 Value                | -11.14 | -5.11 | 16.93  | -8.90 | -12.33 | -1.65 | 2.37   |

### EARNEST PARTNERS Large Cap Value Equity

#### OBJECTIVE

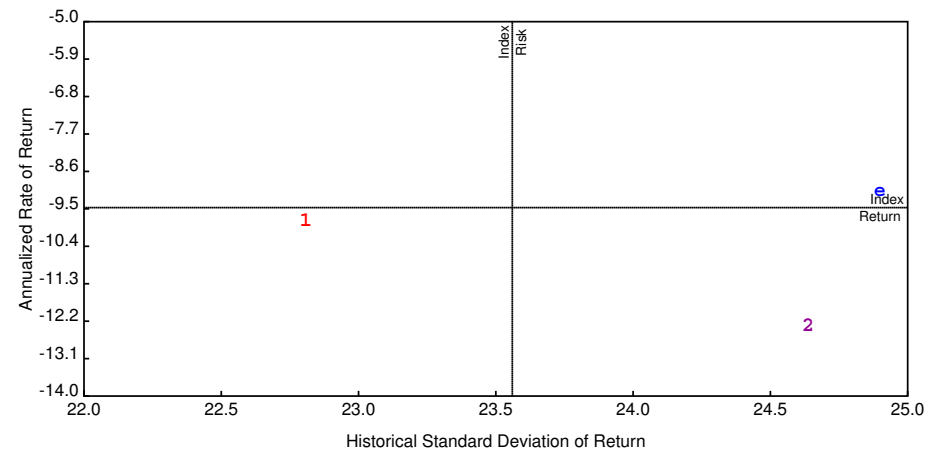
Out perform the S&P 500 by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

EARNEST Partners attempts to add value based on their proprietary research and modeling (Return Pattern Recognition) techniques. The model identifies five critical indicators: 1) Growth, 2) Profitability, 3) Valuation, 4) Operating Trends, and 5) Market Trends.

Return vs Risk  
Total Returns



|                                   | Annualized Return | Standard Deviation |
|-----------------------------------|-------------------|--------------------|
| <b>EARNEST Partners Large Cap</b> | -9.09             | 24.91              |
| <b>Standard &amp; Poors 500</b>   | -9.81             | 22.82              |
| <b>Russell 1000 Value</b>         | -12.33            | 24.65              |
| <b>Russell 3000</b>               | -9.47             | 23.56              |

#### CONCLUSIONS/RECOMMENDATIONS

Earnest Partners strong stock selection (Consumer Discretionary, Telecom Services, and IT) produced performance above the S&P 500 Index but under performed the Russell 1000 Value. In the second quarter 2010, the Manager ranks in the 59th percentile of their peer group.

Year-to-date, Earnest Partners out performed the S&P 500 Index by 74 basis points, placing them in the 63rd percentile of their peer group.

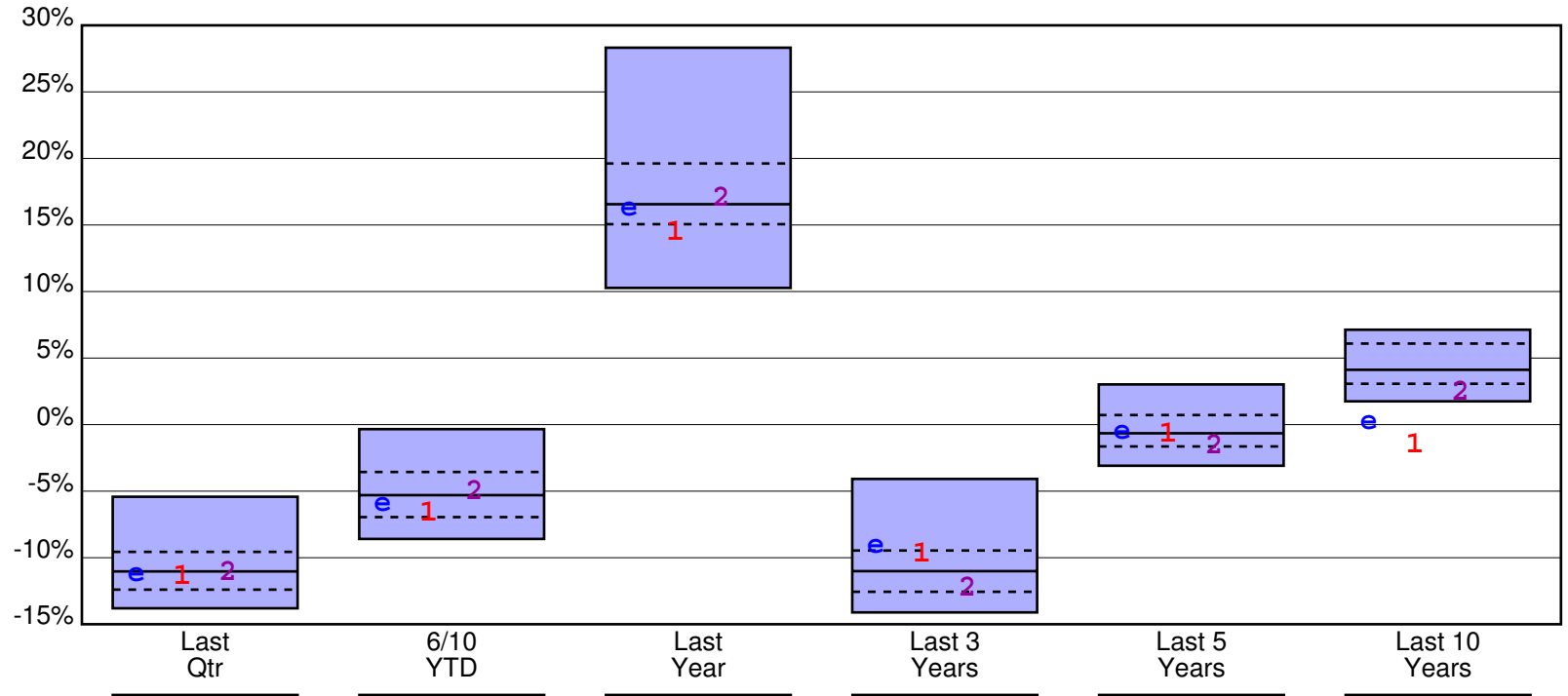
In the 3 and 5-year time periods, Earnest Partners out performed the S&P 500 Index and placed them in the top half of their peer group, meeting performance expectations for those time periods.

# Atlanta General Employees Pension Fund

## Large Value Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

|                                     | Last Qtr    | 6/10 YTD   | Last Year  | Last 3 Years | Last 5 Years | Last 10 Years |
|-------------------------------------|-------------|------------|------------|--------------|--------------|---------------|
| 5th Percentile                      | -5.42       | -0.34      | 28.32      | -4.08        | 3.02         | 7.13          |
| 25th Percentile                     | -9.56       | -3.56      | 19.62      | -9.46        | 0.72         | 6.09          |
| Median                              | -11.03      | -5.30      | 16.56      | -11.01       | -0.65        | 4.12          |
| 75th Percentile                     | -12.40      | -6.95      | 15.06      | -12.56       | -1.64        | 3.07          |
| 95th Percentile                     | -13.80      | -8.59      | 10.27      | -14.11       | -3.09        | 1.75          |
| <b>e</b> EARNEST Partners Large Cap | -11.24 (59) | -5.93 (63) | 16.20 (54) | -9.09(22)    | -0.56 (46)   | 0.22 (99)     |
| <b>1</b> Standard & Poors 500       | -11.43 (61) | -6.67 (71) | 14.40 (78) | -9.81(31)    | -0.79 (51)   | -1.59 (99)    |
| <b>2</b> Russell 1000 Value         | -11.14 (55) | -5.11 (47) | 16.93 (46) | -12.33 (73)  | -1.65 (75)   | 2.37 (88)     |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### EARNEST Partners Large Cap

#### Period Ending 6/10

|                                | Portfolio  | Standard & Poors 500 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 43         | 500                  | Express Scripts Inc  | 1,956,032 | 3.53      | -7.59         |
| Equity Market Value            | 55,438,658 |                      | American Tower Sys C | 1,935,750 | 3.50      | 4.44          |
| Average Capitalization \$(000) | 44,429,093 | 75,229,716           | Intuit               | 1,860,195 | 3.36      | 1.25          |
| Median Capitalization \$(000)  | 25,206,290 | 8,875,387            | Intel Corp           | 1,843,860 | 3.33      | -12.00        |
| Equity Segment Yield           | 1.66       | 2.19                 | Intl Business McHn   | 1,802,808 | 3.26      | -3.21         |
| Equity Segment P/E - Average   | 13.97      | 16.62                | Occidental Pete Corp | 1,797,595 | 3.25      | -8.31         |
| Equity Segment P/E - Median    | 14.01      | 15.55                | Apache Corp          | 1,748,626 | 3.16      | -16.94        |
| Equity Segment Beta            | 1.02       | 1.00                 | Goldman Sachs Group  | 1,745,891 | 3.15      | -22.88        |
| Price/Book Ratio               | 1.90       | 1.84                 | J P Morgan Chase & C | 1,687,721 | 3.05      | -18.10        |
| Debt/Equity Ratio              | 53.09      | 45.45                | Disney Walt Prodtns  | 1,682,100 | 3.04      | -9.77         |
| Five Year Earnings Growth      | 3.85       | 4.98                 |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 16.34     | 10.88  | -15.38    | -12.67 | -0.44     | -0.07  | -0.51 |
| Materials              | 3.62      | 3.48   | -29.09    | -15.15 | -0.51     | -0.01  | -0.51 |
| Industrials            | 8.16      | 10.60  | -14.78    | -12.33 | -0.20     | 0.02   | -0.18 |
| Consumer Discretionary | 13.25     | 10.02  | -6.74     | -10.87 | 0.55      | 0.02   | 0.56  |
| Consumer Staples       | 2.64      | 11.25  | -5.91     | -8.13  | 0.06      | -0.28  | -0.22 |
| Health Care            | 10.31     | 12.15  | -11.89    | -11.79 | -0.01     | 0.01   | -0.00 |
| Financials             | 18.48     | 16.51  | -16.00    | -13.31 | -0.50     | -0.04  | -0.53 |
| Information Technology | 20.70     | 18.85  | -9.23     | -12.23 | 0.62      | -0.02  | 0.60  |
| Telecom. Services      | 2.91      | 2.81   | 4.44      | -4.26  | 0.25      | 0.01   | 0.26  |
| Utilities              | 3.58      | 3.45   | 0.64      | -3.76  | 0.16      | 0.01   | 0.17  |
|                        | 100.00    | 100.00 | -11.76    | -11.40 | -0.02     | -0.35  | -0.36 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.01%

[ Actual Return -11.76% ] - [ Buy Hold Return -11.76% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|----------------------------|--------|-------|--------|-------|-------|-------|--------|
| <b>GLOBALT Inc.</b>        |        |       |        |       |       |       |        |
| Total Return               | -11.64 | -8.57 | 10.57  | -7.09 | -6.35 | -0.89 | -3.26  |
| Total Return (Net of Fees) | -11.64 | -8.66 | 10.24  | -7.47 | -6.72 | -1.28 | -3.63  |
| Standard & Poors 500       | -11.43 | -6.67 | 14.40  | -8.12 | -9.81 | -0.79 | -1.59  |
| Variance                   | -0.20  | -1.90 | -3.83  | 1.02  | 3.46  | -0.09 | -1.67  |
| Russell 1000 Growth        | -11.74 | -7.64 | 13.62  | -7.38 | -6.91 | 0.38  | -5.14  |

### GLOBALT Large Cap Growth Equity

#### OBJECTIVE

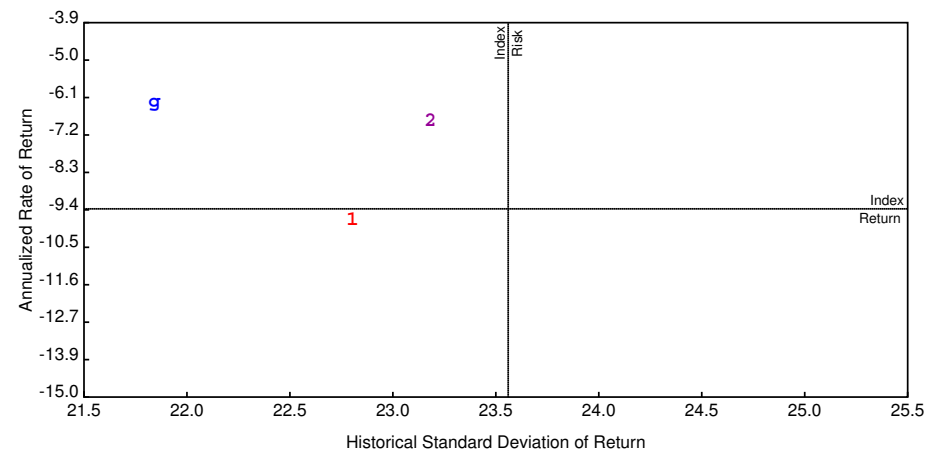
Out perform the S&P 500 by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

GLOBALT attempts to add value based on their proprietary quantitative and fundamental analysis. Their research focuses on identify stocks with three key characteristics: 1) Positive Earnings Revisions, 2) Strong Foreign Revenues, and 3) Low P/E Ratio (as compared against peer group and relative index). Companies must derive at 20% (portfolio average is greater than 50%) of revenues from outside the U.S.

Return vs Risk  
Total Returns



#### CONCLUSIONS/RECOMMENDATIONS

GLOBALT under performed the S&P 500 Index yet ranked in the 38th percentile of the Large Growth Universe. In the second quarter 2010, stock selection in six of their eight sectors was the main detractor from performance.

Year-to-date, GLOBALT under performed the Russell 1000 Growth Index by 93 basis points, placing them in the 64th percentile of their peer group.

Long term, Manager has met their objective compared to the S&P 500 in most periods and has experienced mixed results relative to their peer group.

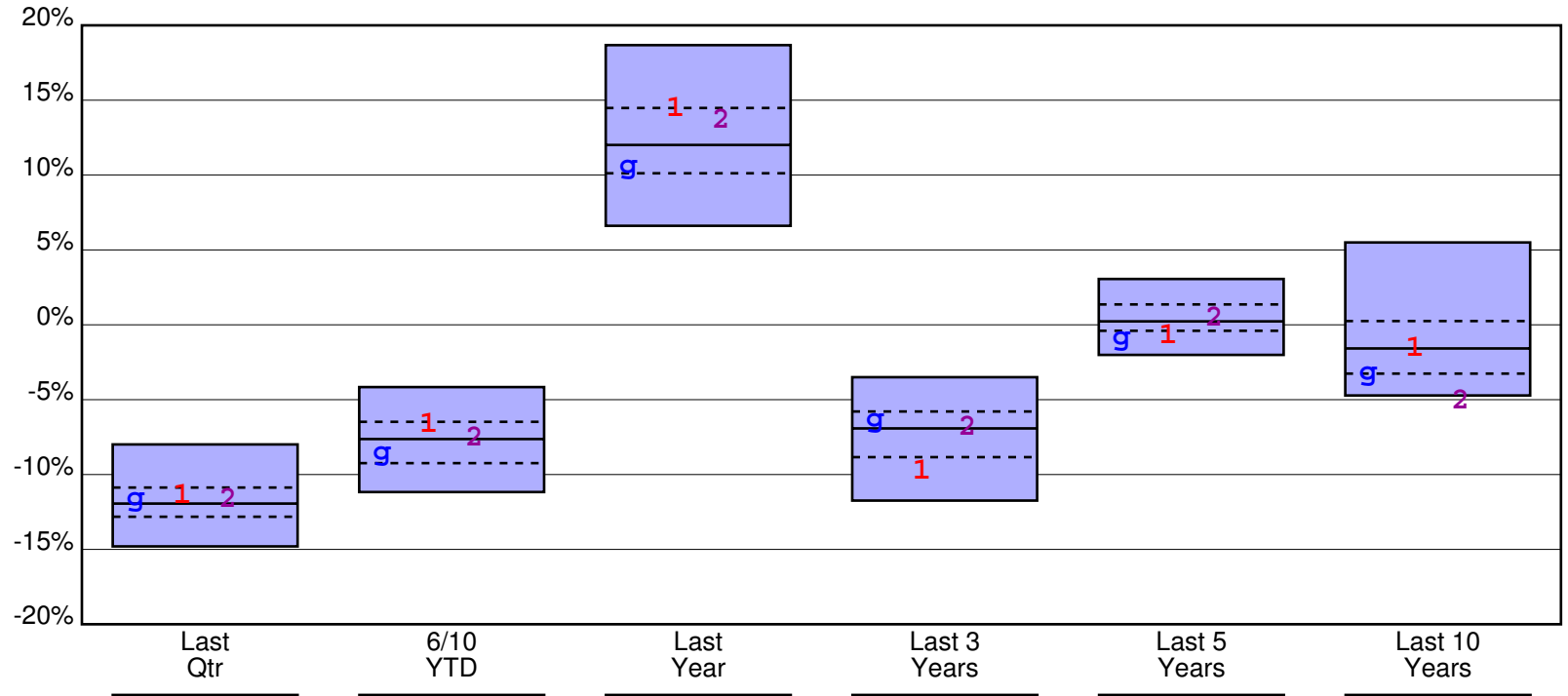


# Atlanta General Employees Pension Fund

## Large Growth Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



|                               |             |            |            |            |            |            |
|-------------------------------|-------------|------------|------------|------------|------------|------------|
| 5th Percentile                | -7.99       | -4.16      | 18.68      | -3.50      | 3.06       | 5.50       |
| 25th Percentile               | -10.87      | -6.48      | 14.48      | -5.79      | 1.36       | 0.25       |
| Median                        | -11.94      | -7.63      | 12.01      | -6.92      | 0.23       | -1.58      |
| 75th Percentile               | -12.82      | -9.24      | 10.12      | -8.84      | -0.40      | -3.26      |
| 95th Percentile               | -14.80      | -11.17     | 6.61       | -11.74     | -2.01      | -4.72      |
| <b>g</b> GLOBALT Inc.         | -11.64 (38) | -8.57 (64) | 10.57 (68) | -6.35 (32) | -0.89 (81) | -3.26 (75) |
| <b>1</b> Standard & Poors 500 | -11.43 (34) | -6.67 (26) | 14.40 (25) | -9.81 (83) | -0.79 (80) | -1.59 (50) |
| <b>2</b> Russell 1000 Growth  | -11.74 (45) | -7.64 (50) | 13.62 (33) | -6.91 (49) | 0.38 (47)  | -5.14 (99) |

Atlanta General Employees Pension Fund  
Equity Summary Statistics  
GLOBALT Inc.  
Period Ending 6/10

|                                | Portfolio  | Standard & Poors 500 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 60         | 500                  | Apple Computer Inc   | 2,817,136 | 4.59      | 7.07          |
| Equity Market Value            | 61,380,265 |                      | Intl Business McHn   | 2,593,080 | 4.23      | -3.21         |
| Average Capitalization \$(000) | 74,815,885 | 75,229,716           | Cisco Sys Inc        | 2,241,812 | 3.66      | -18.13        |
| Median Capitalization \$(000)  | 25,184,877 | 8,875,387            | Intel Corp           | 2,034,470 | 3.32      | -12.00        |
| Equity Segment Yield           | 1.44       | 2.19                 | Microsoft Corp       | 1,877,616 | 3.06      | -21.03        |
| Equity Segment P/E - Average   | 17.68      | 16.62                | Procter & Gamble Co  | 1,841,386 | 3.00      | -4.48         |
| Equity Segment P/E - Median    | 17.72      | 15.55                | Coca Cola Co         | 1,839,404 | 3.00      | -8.10         |
| Equity Segment Beta            | 1.05       | 1.00                 | Wal Mart Stores Inc  | 1,807,432 | 2.95      | -13.04        |
| Price/Book Ratio               | 2.78       | 1.84                 | Corning Inc          | 1,600,465 | 2.61      | -19.85        |
| Debt/Equity Ratio              | 26.45      | 45.45                | Deere & Co           | 1,425,408 | 2.32      | -5.88         |
| Five Year Earnings Growth      | 9.45       | 4.98                 |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 6.97      | 10.88  | -15.03    | -12.67 | -0.16     | 0.05   | -0.11 |
| Materials              | 0.00      | 3.48   |           | -15.15 | 0.00      | 0.13   | 0.13  |
| Industrials            | 10.44     | 10.60  | -10.10    | -12.33 | 0.23      | 0.00   | 0.24  |
| Consumer Discretionary | 8.52      | 10.02  | -8.21     | -10.87 | 0.23      | -0.01  | 0.22  |
| Consumer Staples       | 12.57     | 11.25  | -9.03     | -8.13  | -0.11     | 0.04   | -0.07 |
| Health Care            | 17.63     | 12.15  | -12.60    | -11.79 | -0.14     | -0.02  | -0.16 |
| Financials             | 5.00      | 16.51  | -19.33    | -13.31 | -0.30     | 0.22   | -0.08 |
| Information Technology | 38.44     | 18.85  | -13.01    | -12.23 | -0.30     | -0.16  | -0.46 |
| Telecom. Services      | 0.44      | 2.81   | -32.72    | -4.26  | -0.13     | -0.17  | -0.30 |
| Utilities              | 0.00      | 3.45   |           | -3.76  | 0.00      | -0.26  | -0.26 |
|                        | 100.00    | 100.00 | -12.27    | -11.40 | -0.69     | -0.18  | -0.87 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect -0.07%

[ Actual Return -12.34% ] - [ Buy Hold Return -12.27% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                       | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs  | 5 Yrs | 10 Yrs |
|-------------------------------|--------|-------|--------|-------|--------|-------|--------|
| <b>New Amsterdam Partners</b> |        |       |        |       |        |       |        |
| Total Return                  | -12.14 | -8.09 | 7.49   | -9.32 | -10.41 | -2.27 | 0.58   |
| Total Return (Net of Fees)    | -12.21 | -8.23 | 7.17   | -9.59 | -10.67 | -2.56 | 0.28   |
| Standard & Poors 500          | -11.43 | -6.67 | 14.40  | -8.12 | -9.81  | -0.79 | -1.59  |
| Variance                      | -0.71  | -1.42 | -6.91  | -1.21 | -0.60  | -1.48 | 2.17   |
| Russell 1000 Growth           | -11.74 | -7.64 | 13.62  | -7.38 | -6.91  | 0.38  | -5.14  |

### NEW AMSTERDAM PARTNERS

#### Large Cap Growth Equity

#### OBJECTIVE

Out perform the S&P 500 by 100 basis points net of management fees over a full market cycle (approximately 5 years).

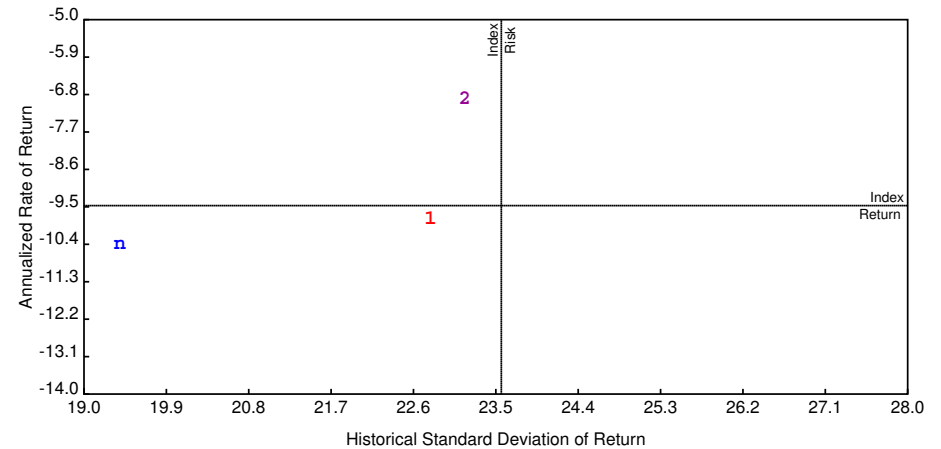
The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

New Amsterdam utilizes a bottom-up, growth a a reasonable price approach. The manager attempts to identify securities with the following characteristics:

- 1) 5 Years of Complete Accounting Data
- 2) Good Liquidity
- 3) Sufficient Wall Street Coverage
- 4) Strong Growth Rates, ROE, and Cash Flows
- 5) Strong Earnings Momentum Estimates

Return vs Risk  
Total Returns



|                          | Annualized Return | Standard Deviation |
|--------------------------|-------------------|--------------------|
| n New Amsterdam Partners | -10.41            | 19.43              |
| 1 Standard & Poors 500   | -9.81             | 22.82              |
| 2 Russell 1000 Growth    | -6.91             | 23.20              |
| Russell 3000             | -9.47             | 23.56              |

#### CONCLUSIONS/RECOMMENDATIONS

New Amsterdam under performed the Russell 1000 Growth Index by 40 basis points during the second quarter 2010, placing them in the 54th percentile of their peer group. Poor stock selection in eight of the ten sectors the portfolio was invested hurt performance relative to the benchmark.

Year-to-date, New Amsterdam under performed the Russell 1000 Growth Index by 45 basis points, placing them in the 60th percentile.

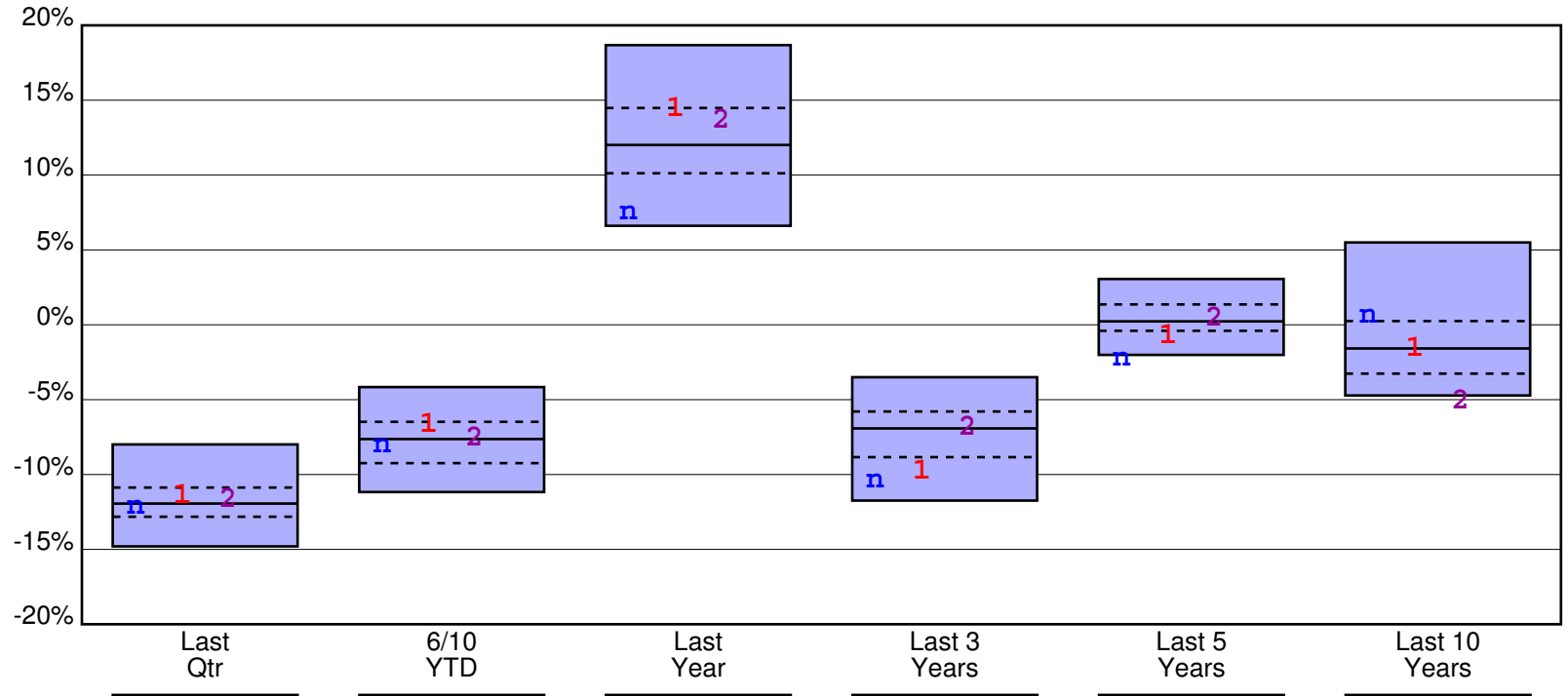
Over longer time periods, New Amsterdam has had mixed results against the benchmark and their peer group objective.

# Atlanta General Employees Pension Fund

## Large Growth Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

|                                 | Last Qtr    | 6/10 YTD   | Last Year  | Last 3 Years | Last 5 Years | Last 10 Years |
|---------------------------------|-------------|------------|------------|--------------|--------------|---------------|
| 5th Percentile                  | -7.99       | -4.16      | 18.68      | -3.50        | 3.06         | 5.50          |
| 25th Percentile                 | -10.87      | -6.48      | 14.48      | -5.79        | 1.36         | 0.25          |
| Median                          | -11.94      | -7.63      | 12.01      | -6.92        | 0.23         | -1.58         |
| 75th Percentile                 | -12.82      | -9.24      | 10.12      | -8.84        | -0.40        | -3.26         |
| 95th Percentile                 | -14.80      | -11.17     | 6.61       | -11.74       | -2.01        | -4.72         |
| <b>n</b> New Amsterdam Partners | -12.14 (54) | -8.09 (60) | 7.49 (94)  | -10.41 (88)  | -2.27 (96)   | 0.58 (22)     |
| <b>1</b> Standard & Poors 500   | -11.43 (34) | -6.67 (26) | 14.40 (25) | -9.81 (83)   | -0.79 (80)   | -1.59 (50)    |
| <b>2</b> Russell 1000 Growth    | -11.74 (45) | -7.64 (50) | 13.62 (33) | -6.91 (49)   | 0.38 (47)    | -5.14 (99)    |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### New Amsterdam Partners

#### Period Ending 6/10

|                                | Portfolio  | Standard & Poors 500 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 45         | 500                  | US Bancorp Del       | 1,718,715 | 3.06      | -13.45        |
| Equity Market Value            | 56,280,660 |                      | Cognizant Technology | 1,702,040 | 3.03      | -1.80         |
| Average Capitalization \$(000) | 35,613,701 | 75,229,716           | Express Scripts Inc  | 1,655,104 | 2.94      | -7.59         |
| Median Capitalization \$(000)  | 22,559,001 | 8,875,387            | Southwestern Energy  | 1,603,560 | 2.85      | -5.11         |
| Equity Segment Yield           | 1.61       | 2.19                 | General MIs Inc      | 1,598,400 | 2.84      | 1.05          |
| Equity Segment P/E - Average   | 15.49      | 16.62                | Danaher Corp         | 1,596,160 | 2.84      | -7.05         |
| Equity Segment P/E - Median    | 16.49      | 15.55                | PNC Financial Corp   | 1,536,800 | 2.73      | -5.21         |
| Equity Segment Beta            | 1.04       | 1.00                 | Laboratory Corp Amer | 1,529,605 | 2.72      | -0.48         |
| Price/Book Ratio               | 2.47       | 1.84                 | Hershey Foods Corp   | 1,505,002 | 2.68      | 12.73         |
| Debt/Equity Ratio              | 44.22      | 45.45                | Intl Business McHn   | 1,494,108 | 2.66      | -3.21         |
| Five Year Earnings Growth      | 9.76       | 4.98                 |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 10.29     | 10.88  | -6.93     | -12.67 | 0.59      | 0.01   | 0.60  |
| Materials              | 4.93      | 3.48   | -16.48    | -15.15 | -0.07     | -0.05  | -0.12 |
| Industrials            | 11.16     | 10.60  | -9.81     | -12.33 | 0.28      | -0.01  | 0.28  |
| Consumer Discretionary | 17.49     | 10.02  | -12.69    | -10.87 | -0.32     | 0.04   | -0.28 |
| Consumer Staples       | 6.94      | 11.25  | -8.91     | -8.13  | -0.05     | -0.14  | -0.20 |
| Health Care            | 11.78     | 12.15  | -14.56    | -11.79 | -0.33     | 0.00   | -0.33 |
| Financials             | 12.08     | 16.51  | -14.91    | -13.31 | -0.19     | 0.08   | -0.11 |
| Information Technology | 20.63     | 18.85  | -12.91    | -12.23 | -0.14     | -0.01  | -0.16 |
| Telecom. Services      | 2.58      | 2.81   | -21.94    | -4.26  | -0.46     | -0.02  | -0.47 |
| Utilities              | 2.12      | 3.45   | -5.49     | -3.76  | -0.04     | -0.10  | -0.14 |
|                        | 100.00    | 100.00 | -12.32    | -11.40 | -0.72     | -0.20  | -0.92 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.01%

[ Actual Return -12.31% ] - [ Buy Hold Return -12.32% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                       | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs  | 5 Yrs | 10 Yrs |
|-------------------------------|--------|-------|--------|-------|--------|-------|--------|
| <b>Union Heritage Capital</b> |        |       |        |       |        |       |        |
| Total Return                  | -8.64  | -4.66 | 13.30  | -2.92 | -4.12  | 1.67  | 1.48   |
| Total Return (Net of Fees)    | -8.75  | -4.90 | 12.73  | -3.41 | -4.58  | 1.19  | 1.00   |
| Standard & Poors 500          | -11.43 | -6.67 | 14.40  | -8.12 | -9.81  | -0.79 | -1.59  |
| Variance                      | 2.68   | 1.77  | -1.67  | 4.71  | 5.23   | 1.99  | 2.59   |
| Russell 1000 Value            | -11.14 | -5.11 | 16.93  | -8.90 | -12.33 | -1.65 | 2.37   |

### NEW AMSTERDAM PARTNERS Large Cap Growth Equity

#### OBJECTIVE

Out perform the S&P 500 by 100 basis points net of management fees over a full market cycle (approximately 5 years).

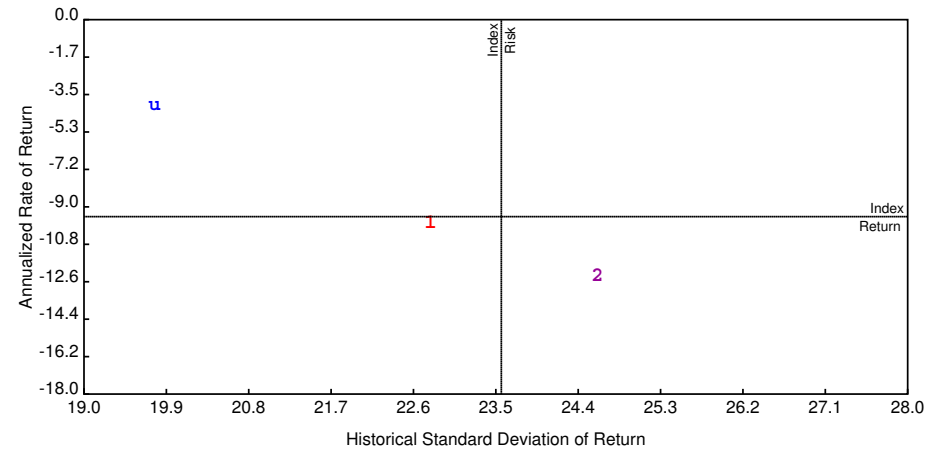
The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

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- 1) 5 Years of Complete Accounting Data
- 2) Good Liquidity
- 3) Sufficient Wall Street Coverage
- 4) Strong Growth Rates, ROE, and Cash Flows
- 5) Strong Earnings Momentum Estimates

Return vs Risk  
Total Returns



|                          | Annualized Return | Standard Deviation |
|--------------------------|-------------------|--------------------|
| u Union Heritage Capital | -4.12             | 19.81              |
| 1 Standard & Poors 500   | -9.81             | 22.82              |
| 2 Russell 1000 Value     | -12.33            | 24.65              |
| Russell 3000             | -9.47             | 23.56              |

#### CONCLUSIONS/RECOMMENDATIONS

New Amsterdam under performed the Russell 1000 Growth Index by 40 basis points during the second quarter 2010, placing them in the 54th percentile of their peer group. Poor stock selection in eight of the ten sectors the portfolio was invested hurt performance relative to the benchmark.

Year-to-date, New Amsterdam under performed the Russell 1000 Growth Index by 45 basis points, placing them in the 60th percentile.

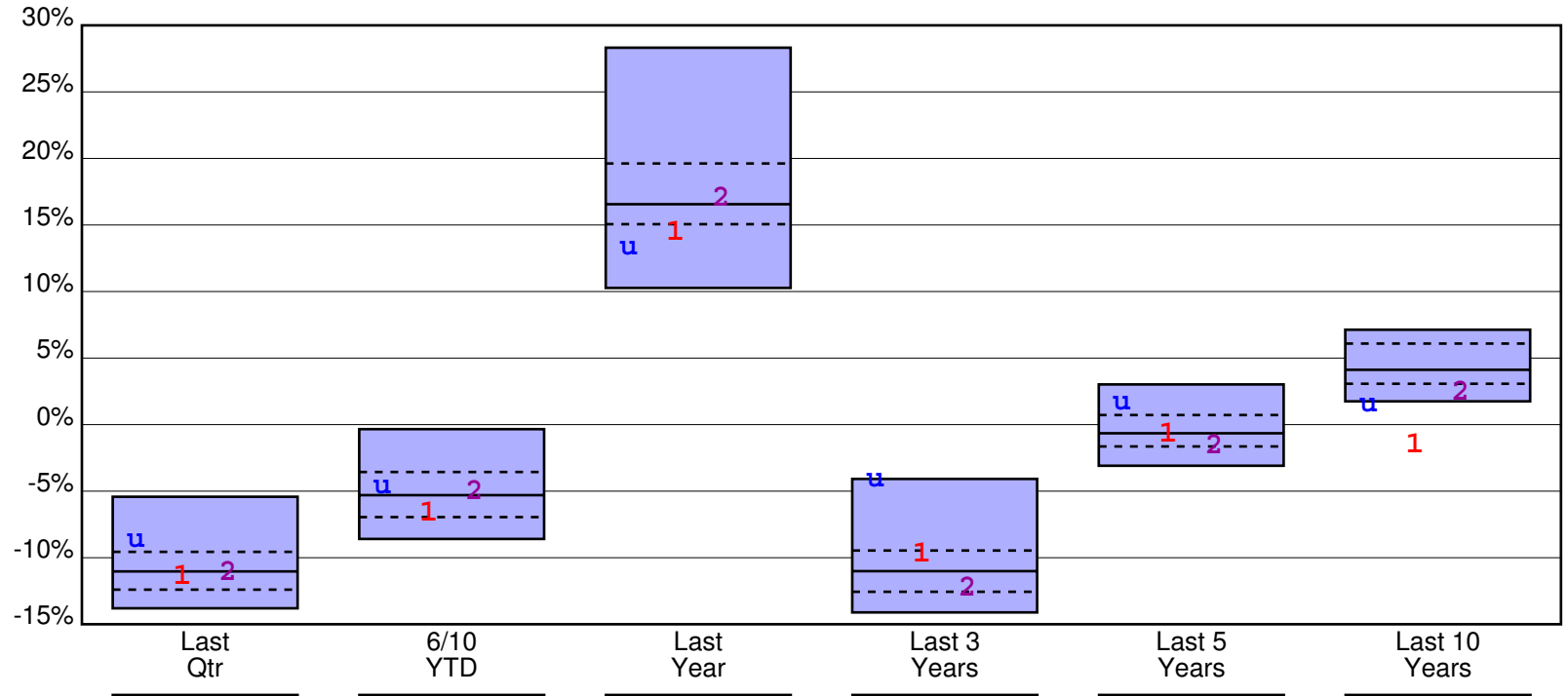
Over longer time periods, New Amsterdam has had mixed results against the benchmark and their peer group objective.

# Atlanta General Employees Pension Fund

## Large Value Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

-5.42  
-9.56  
-11.03  
-12.40  
-13.80

-0.34  
-3.56  
-5.30  
-6.95  
-8.59

28.32  
19.62  
16.56  
15.06  
10.27

-4.08  
-9.46  
-11.01  
-12.56  
-14.11

3.02  
0.72  
-0.65  
-1.64  
-3.09

7.13  
6.09  
4.12  
3.07  
1.75

**u** Union Heritage Capital  
**1** Standard & Poors 500  
**2** Russell 1000 Value

-8.64(17)  
-11.43 (61)  
-11.14 (55)

-4.66 (36)  
-6.67 (71)  
-5.11 (47)

13.30 (85)  
14.40 (78)  
16.93 (46)

-4.12 (5)  
-9.81 (31)  
-12.33 (73)

1.67 (8)  
-0.79 (51)  
-1.65 (75)

1.48 (95)  
-1.59 (99)  
2.37 (88)

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### Union Heritage Capital

#### Period Ending 6/10

|                                | Portfolio  | Standard & Poors 500 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 39         | 500                  | Autozone Inc         | 946,778   | 5.22      | 11.63         |
| Equity Market Value            | 18,138,408 |                      | Apple Computer Inc   | 754,590   | 4.16      | 7.07          |
| Average Capitalization \$(000) | 65,332,303 | 75,229,716           | Occidental Pete Corp | 702,065   | 3.87      | -8.31         |
| Median Capitalization \$(000)  | 25,099,123 | 8,875,387            | Nike Inc             | 668,745   | 3.69      | -7.76         |
| Equity Segment Yield           | 1.77       | 2.19                 | Oracle Systems Corp  | 663,114   | 3.66      | -16.31        |
| Equity Segment P/E - Average   | 15.64      | 16.62                | Varian Med Sys Inc   | 575,080   | 3.17      | -5.51         |
| Equity Segment P/E - Median    | 14.59      | 15.55                | Kellogg Co           | 568,390   | 3.14      | -5.20         |
| Equity Segment Beta            | 0.84       | 1.00                 | Amphenol Corp New    | 549,920   | 3.03      | -6.86         |
| Price/Book Ratio               | 3.09       | 1.84                 | Coach Inc            | 540,940   | 2.98      | -7.16         |
| Debt/Equity Ratio              | 31.95      | 45.45                | Fiserv Inc           | 538,788   | 2.97      | -10.05        |
| Five Year Earnings Growth      | 9.39       | 4.98                 |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 8.12      | 10.88  | -8.90     | -12.67 | 0.31      | 0.04   | 0.34  |
| Materials              | 0.00      | 3.48   |           | -15.15 | 0.00      | 0.13   | 0.13  |
| Industrials            | 9.25      | 10.60  | -12.54    | -12.33 | -0.02     | 0.01   | -0.01 |
| Consumer Discretionary | 13.84     | 10.02  | -7.29     | -10.87 | 0.50      | 0.02   | 0.52  |
| Consumer Staples       | 17.66     | 11.25  | -5.13     | -8.13  | 0.53      | 0.21   | 0.74  |
| Health Care            | 15.83     | 12.15  | -10.68    | -11.79 | 0.18      | -0.01  | 0.16  |
| Financials             | 11.05     | 16.51  | -13.94    | -13.31 | -0.07     | 0.10   | 0.03  |
| Information Technology | 22.43     | 18.85  | -10.03    | -12.23 | 0.49      | -0.03  | 0.46  |
| Telecom. Services      | 0.00      | 2.81   |           | -4.26  | 0.00      | -0.20  | -0.20 |
| Utilities              | 1.82      | 3.45   | -4.46     | -3.76  | -0.01     | -0.12  | -0.14 |
|                        | 100.00    | 100.00 | -9.36     | -11.40 | 1.90      | 0.14   | 2.04  |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.13%

[ Actual Return -9.23% ] - [ Buy Hold Return -9.36% ]



# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                         | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|---------------------------------|--------|-------|--------|-------|-------|-------|--------|
| <b>Madison Square Investors</b> |        |       |        |       |       |       |        |
| Total Return                    | -10.30 | -2.55 | 24.25  | -8.98 | -9.35 |       |        |
| Total Return (Net of Fees)      | -10.30 | -2.66 | 23.81  | -9.36 | -9.73 |       |        |
| Russell MidCap                  | -9.87  | -2.06 | 25.13  | -6.65 | -8.19 |       |        |
| Variance                        | -0.43  | -0.49 | -0.88  | -2.33 | -1.16 |       |        |

### MADISON SQUARE INVESTORS (NY LIFE) Mid Cap Core Equity

#### OBJECTIVE

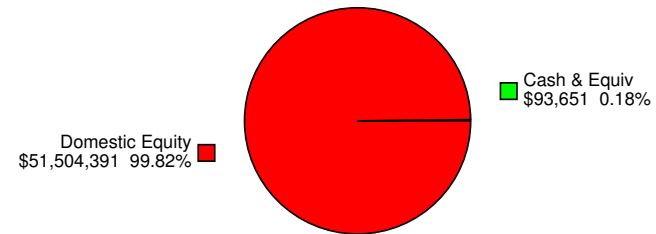
Out perform the Russell Mid Cap Index by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

New York Life attempts to add value based on their proprietary quantitative factor-based model. The manager enhances returns through bottom-up stock selection and trading techniques.

Asset Allocation  
Madison Square Investors  
June 30, 2010 \$51,598,043



#### CONCLUSIONS/RECOMMENDATIONS

Madison Square Investors under performed the Russell MidCap Index by 43 basis points during the second quarter 2010, placing them in the 76th percentile of their peer group. Poor stock selection in seven of the ten sectors, and an underweighting of the Utilities sector hurt relative performance.

Year-to-date, Manager under performed the Russell MidCap Index by 49 basis points, placing them in the 73rd percentile of their peer group.

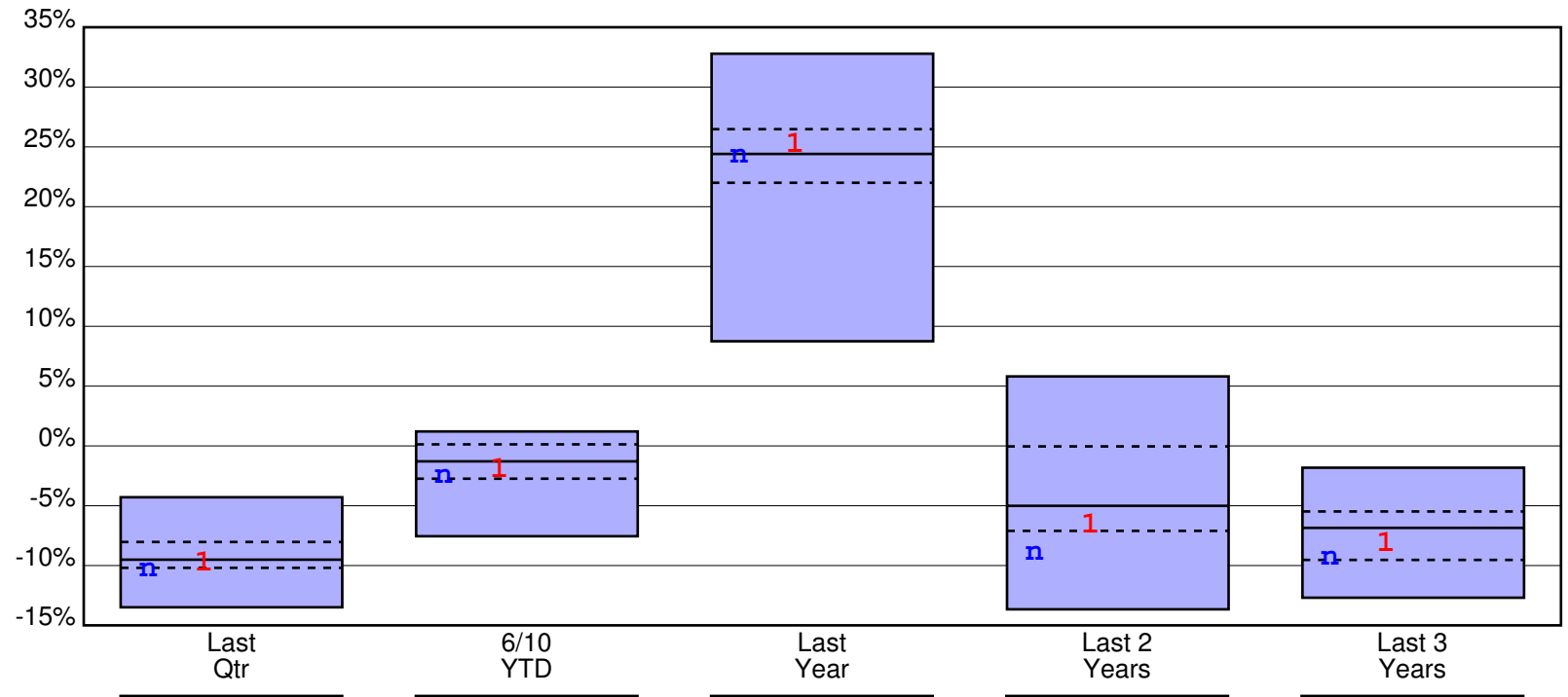
Long term, Madison Square Investors has under performed the Russell MidCap Index and their peer group objective in all time periods measured.

# Atlanta General Employees Pension Fund

## Midcap Neutral Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



|                                   |             |            |            |            |            |
|-----------------------------------|-------------|------------|------------|------------|------------|
| 5th Percentile                    | -4.29       | 1.21       | 32.79      | 5.81       | -1.82      |
| 25th Percentile                   | -8.03       | 0.13       | 26.48      | -0.04      | -5.48      |
| Median                            | -9.51       | -1.29      | 24.41      | -5.01      | -6.85      |
| 75th Percentile                   | -10.19      | -2.74      | 22.00      | -7.10      | -9.53      |
| 95th Percentile                   | -13.49      | -7.55      | 8.75       | -13.66     | -12.69     |
| <b>n</b> Madison Square Investors | -10.30 (76) | -2.55 (73) | 24.25 (54) | -8.98 (84) | -9.35 (70) |
| <b>1</b> Russell MidCap           | -9.87 (67)  | -2.06 (65) | 25.13 (39) | -6.65 (61) | -8.19 (53) |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### Madison Square Investors

#### Period Ending 6/10

|                                | Portfolio  | Russell MidCap | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 217        | 793            | Netapp Inc           | 589,237   | 1.15      | 14.59         |
| Equity Market Value            | 51,504,391 |                | Hospira Inc          | 588,460   | 1.14      | 1.41          |
| Average Capitalization \$(000) | 5,169,149  | 6,084,486      | Annaly Mtg Mgmt Inc  | 570,100   | 1.11      | 3.72          |
| Median Capitalization \$(000)  | 3,488,830  | 3,265,978      | Discover Finl Svcs   | 548,282   | 1.07      | -6.17         |
| Equity Segment Yield           | 1.57       | 1.71           | Amerisourcebergen Co | 546,957   | 1.06      | 10.07         |
| Equity Segment P/E - Average   | 18.06      | 23.52          | Murphy Oil Corp      | 523,644   | 1.02      | -11.44        |
| Equity Segment P/E - Median    | 15.58      | 16.03          | Hartford Finl Svcs G | 521,604   | 1.01      | -21.98        |
| Equity Segment Beta            | 1.22       | 1.17           | Forest Labs Inc      | 520,045   | 1.01      | -12.53        |
| Price/Book Ratio               | 1.55       | 1.69           | Smith Intl Inc       | 517,010   | 1.01      | -11.79        |
| Debt/Equity Ratio              | 39.85      | 47.12          | M & T Bk Corp        | 515,392   | 1.00      | 7.94          |
| Five Year Earnings Growth      | 2.32       | 2.56           |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 7.94      | 7.09   | -8.85     | -12.32 | 0.28      | -0.02  | 0.25  |
| Materials              | 8.05      | 6.41   | -15.08    | -13.36 | -0.14     | -0.06  | -0.20 |
| Industrials            | 12.73     | 13.16  | -11.30    | -11.17 | -0.02     | 0.01   | -0.01 |
| Consumer Discretionary | 18.20     | 15.51  | -12.12    | -12.04 | -0.01     | -0.06  | -0.07 |
| Consumer Staples       | 3.78      | 6.61   | -15.52    | -8.18  | -0.28     | -0.05  | -0.32 |
| Health Care            | 10.50     | 8.98   | -5.02     | -7.93  | 0.31      | 0.03   | 0.33  |
| Financials             | 15.74     | 19.32  | -5.71     | -9.25  | 0.56      | -0.02  | 0.54  |
| Information Technology | 17.40     | 14.38  | -10.59    | -9.16  | -0.25     | 0.02   | -0.23 |
| Telecom. Services      | 1.45      | 1.79   | -12.64    | -6.12  | -0.09     | -0.01  | -0.11 |
| Utilities              | 4.22      | 6.76   | -6.72     | -4.25  | -0.10     | -0.14  | -0.25 |
|                        | 100.00    | 100.00 | -9.88     | -9.82  | 0.25      | -0.31  | -0.06 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect -0.43%

[ Actual Return -10.31% ] - [ Buy Hold Return -9.88% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                     | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|--------|-------|--------|-------|-------|-------|--------|
| <b>Ceredex MidCap Value</b> |        |       |        |       |       |       |        |
| Total Return                | -10.56 | -3.96 |        |       |       |       |        |
| Total Return (Net of Fees)  | -10.67 | -4.21 |        |       |       |       |        |
| Russell MidCap Value        | -9.57  | -0.88 |        |       |       |       |        |
| Variance                    | -0.99  | -3.08 |        |       |       |       |        |

### Ceredex Mid Cap Value Fund Mid Cap Core Equity

#### OBJECTIVE:

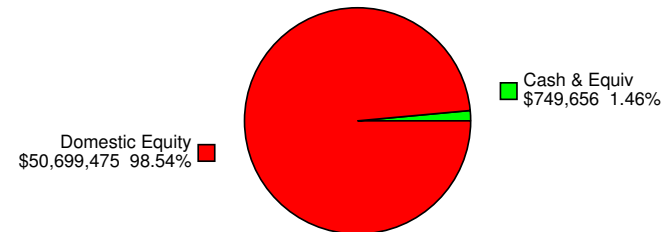
Out perform the Russell Mid Cap value by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY:

Individual company characteristics are the dominant factors in the equity selection process. The strategy's investment philosophy emphasizes three key characteristics in selecting equities for portfolios: existence of a dividend, low valuation levels, and the existence of a fundamental catalyst that will cause a stock to appreciate upon recognition by the market. The strategy seeks to hold 100% domestic equity securities, and typically the portfolio holds 60-80 issues.

Asset Allocation  
Ceredex MidCap Value  
June 30, 2010 \$51,449,131



#### CONCLUSIONS/RECOMMENDATIONS

Ceredex under performed the Russell MidCap Value Index and their peer group objective in the second quarter 2010. Sector weighting decisions and poor stock selection in six of the nine sectors portfolio was invested hurt relative performance.

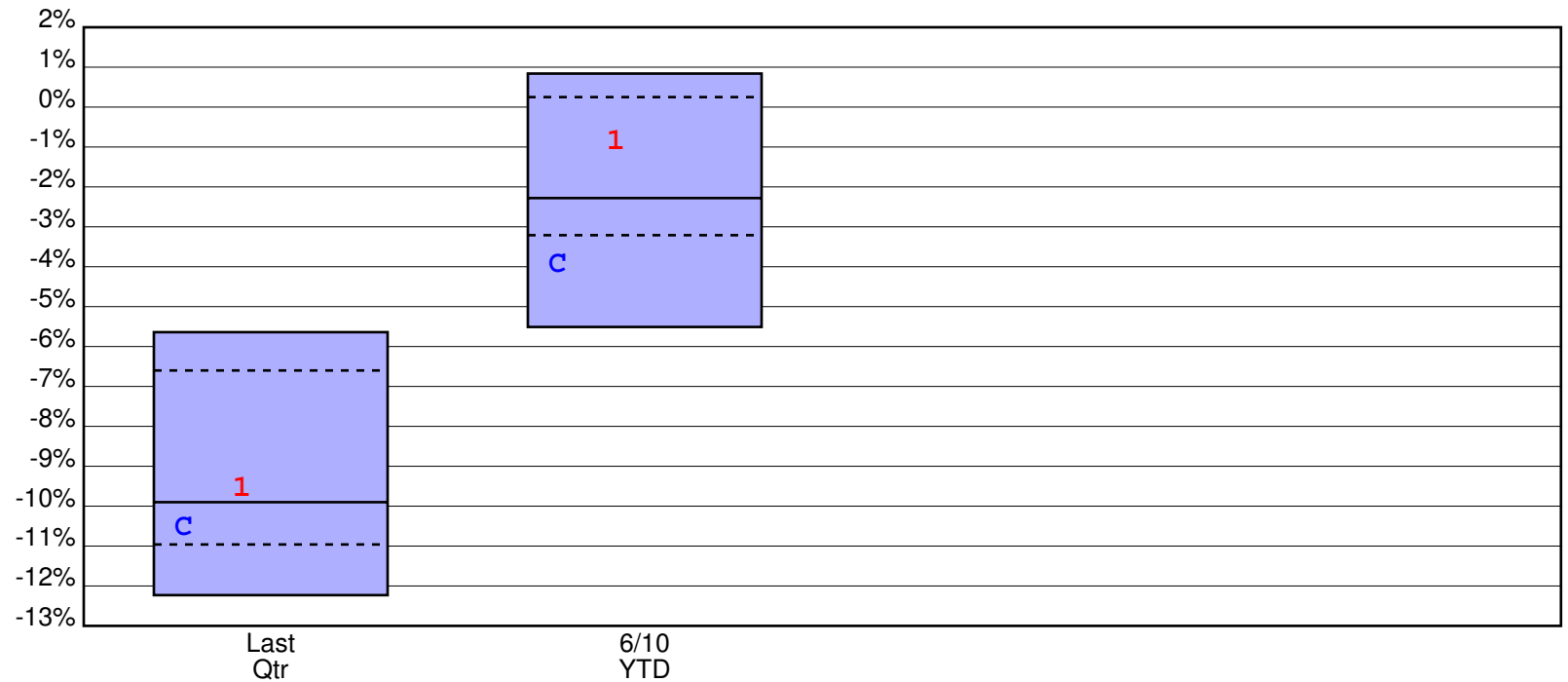
Ceredex was funded in the first quarter 2010.

# Atlanta General Employees Pension Fund

## Midcap Value Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



|                        |             |            |
|------------------------|-------------|------------|
| 5th Percentile         | -5.64       | 0.84       |
| 25th Percentile        | -6.60       | 0.25       |
| Median                 | -9.90       | -2.28      |
| 75th Percentile        | -10.96      | -3.21      |
| 95th Percentile        | -12.23      | -5.51      |
| C Ceredex MidCap Value | -10.56 (58) | -3.96 (79) |
| 1 Russell MidCap Value | -9.57 (41)  | -0.88 (33) |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### Ceredex MidCap Value

#### Period Ending 6/10

|                                | Portfolio  | Russell MidCap Value | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 60         | 543                  | Flowserve Corp       | 1,662,080 | 3.29      | -22.85        |
| Equity Market Value            | 50,699,475 |                      | Mb Financial Inc New | 1,552,116 | 3.07      | -18.34        |
| Average Capitalization \$(000) | 7,986,274  | 6,067,046            | Comerica Inc         | 1,406,906 | 2.78      | -3.05         |
| Median Capitalization \$(000)  | 6,994,182  | 3,107,146            | Noble Energy Inc     | 1,381,557 | 2.73      | -17.15        |
| Equity Segment Yield           | 2.19       | 2.30                 | Best Buy Inc         | 1,300,224 | 2.57      | -20.16        |
| Equity Segment P/E - Average   | 21.97      | 22.38                | Northern Tr Corp     | 1,274,910 | 2.52      | -15.01        |
| Equity Segment P/E - Median    | 14.51      | 14.45                | Omnicom Group        | 1,255,380 | 2.48      | -11.15        |
| Equity Segment Beta            | 1.24       | 1.19                 | American Wtr Wks Co  | 1,254,540 | 2.48      | -4.40         |
| Price/Book Ratio               | 1.29       | 1.19                 | Ppl Corp             | 1,217,560 | 2.41      | -8.71         |
| Debt/Equity Ratio              | 59.35      | 55.27                | Peabody Energy Corp  | 1,205,204 | 2.38      | -14.23        |
| Five Year Earnings Growth      | -0.56      | -1.28                |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 15.01     | 8.78   | -13.74    | -8.32  | -0.81     | 0.10   | -0.72 |
| Materials              | 10.81     | 7.94   | -7.23     | -14.31 | 0.77      | -0.13  | 0.64  |
| Industrials            | 16.80     | 11.25  | -17.54    | -12.33 | -0.88     | -0.14  | -1.01 |
| Consumer Discretionary | 11.81     | 12.98  | -14.90    | -14.57 | -0.04     | 0.05   | 0.02  |
| Consumer Staples       | 2.24      | 6.36   | -14.70    | -8.35  | -0.14     | -0.06  | -0.21 |
| Health Care            | 2.15      | 4.14   | -7.99     | -12.49 | 0.10      | 0.05   | 0.15  |
| Financials             | 23.50     | 29.04  | -12.22    | -8.07  | -0.98     | -0.10  | -1.08 |
| Information Technology | 6.05      | 6.46   | -14.50    | -12.68 | -0.11     | 0.01   | -0.10 |
| Telecom. Services      | 0.00      | 2.48   |           | -7.28  | 0.00      | -0.06  | -0.06 |
| Utilities              | 11.63     | 10.57  | -2.95     | -3.29  | 0.04      | 0.07   | 0.11  |
|                        | 100.00    | 100.00 | -12.14    | -9.88  | -2.05     | -0.21  | -2.26 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 1.39%

[ Actual Return -10.76% ] - [ Buy Hold Return -12.14% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr  | YTD   | 1 Year | 2 Yrs  | 3 Yrs  | 5 Yrs | 10 Yrs |
|----------------------------|--------|-------|--------|--------|--------|-------|--------|
| <b>Wellington Mgmt</b>     |        |       |        |        |        |       |        |
| Total Return               | -10.26 | -1.65 | 24.31  | -9.90  | -9.64  |       |        |
| Total Return (Net of Fees) | -10.26 | -1.81 | 23.72  | -10.42 | -10.18 |       |        |
| S&P Midcap 400             | -9.59  | -1.36 | 24.93  | -5.17  | -5.90  |       |        |
| Variance                   | -0.68  | -0.29 | -0.62  | -4.73  | -3.74  |       |        |

### WELLINGTON MGMT Mid Cap Core Equity

#### OBJECTIVE

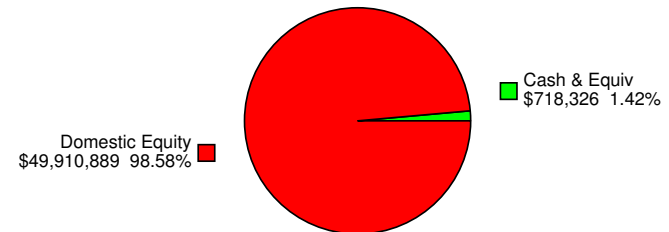
Out perform the S&P Mid Cap 400 Index by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

Wellington combines fundamental research with quantitative valuation techniques. The manager utilizes a disciplined portfolio construction process to ensure that the portfolio characteristics are consistent with the benchmark. The quantitative multi-factor model uses value and momentum themes to rank stocks within each sector. Factor selection and weights are developed by demonstrated long-term profitability and consistency of the factor within the sector.

Asset Allocation  
Wellington Mgmt  
June 30, 2010 \$50,629,215



#### CONCLUSIONS/RECOMMENDATIONS

Wellington under performed the S&P MidCap 400 Index by 68 bps during the second quarter 2010, placing them in the bottom quartile of their peer group. Stock selection in seven of the nine sectors portfolio was invested were the main detractors from performance.

Long term, Wellington has under performed the S&P MidCap 400 Index in all time periods measured and placed in the bottom half of their peer group.

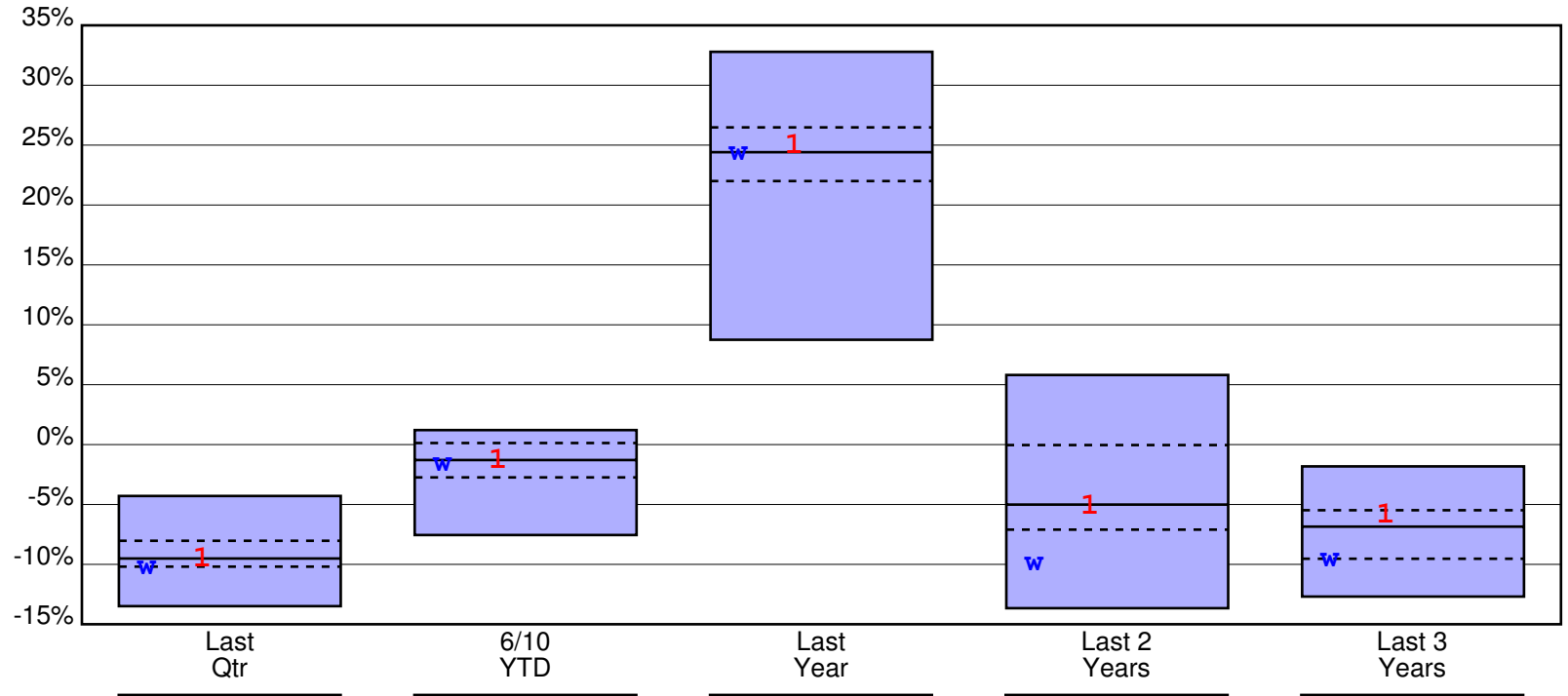
**Manager has been placed on probation.**

# Atlanta General Employees Pension Fund

## Midcap Neutral Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

-4.29  
-8.03  
-9.51  
-10.19  
-13.49

1.21  
0.13  
-1.29  
-2.74  
-7.55

32.79  
26.48  
24.41  
22.00  
8.75

5.81  
-0.04  
-5.01  
-7.10  
-13.66

-1.82  
-5.48  
-6.85  
-9.53  
-12.69

w Wellington Mgmt  
1 S&P Midcap 400

-10.26 (75)  
-9.59 (58)

-1.65 (61)  
-1.36 (55)

24.31 (52)  
24.93 (43)

-9.90 (87)  
-5.17 (53)

-9.64 (78)  
-5.90 (39)



# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### Wellington Mgmt

#### Period Ending 6/10

|                                | Portfolio  | S&P Midcap 400 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|----------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 155        | 400            | Netflix Com Inc      | 869,200   | 1.74      | 47.34         |
| Equity Market Value            | 49,910,889 |                | Ross Stores Inc      | 820,666   | 1.65      | -0.05         |
| Average Capitalization \$(000) | 3,793,575  | 2,963,060      | UGI Corp New         | 754,296   | 1.51      | -3.23         |
| Median Capitalization \$(000)  | 2,969,786  | 2,216,383      | Beckman Coulter Inc  | 639,074   | 1.28      | -3.72         |
| Equity Segment Yield           | 1.06       | 1.57           | Oge Energy Corp      | 632,488   | 1.27      | -5.26         |
| Equity Segment P/E - Average   | 17.58      | 21.52          | Joy Global Inc       | 591,062   | 1.18      | -11.21        |
| Equity Segment P/E - Median    | 15.08      | 16.51          | Hunt J B Trans Svcs  | 581,526   | 1.17      | -8.64         |
| Equity Segment Beta            | 1.17       | 1.13           | Kirby Expl Co.       | 562,275   | 1.13      | 0.26          |
| Price/Book Ratio               | 1.85       | 1.80           | Rovi Corp            | 561,068   | 1.12      | 2.10          |
| Debt/Equity Ratio              | 44.66      | 38.09          | Huntington Bancshare | 558,986   | 1.12      | 3.33          |
| Five Year Earnings Growth      | 6.02       | 2.82           |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 6.18      | 5.84   | -14.53    | -10.29 | -0.26     | -0.00  | -0.26 |
| Materials              | 5.87      | 6.78   | -12.22    | -10.35 | -0.11     | 0.01   | -0.10 |
| Industrials            | 15.83     | 14.69  | -12.16    | -11.05 | -0.18     | -0.02  | -0.19 |
| Consumer Discretionary | 16.37     | 14.60  | -9.56     | -12.93 | 0.55      | -0.06  | 0.49  |
| Consumer Staples       | 4.36      | 3.71   | -15.08    | -14.95 | -0.01     | -0.04  | -0.04 |
| Health Care            | 12.90     | 12.67  | -9.54     | -5.91  | -0.47     | 0.01   | -0.46 |
| Financials             | 15.14     | 20.33  | -13.75    | -8.62  | -0.78     | -0.05  | -0.82 |
| Information Technology | 16.04     | 14.78  | -6.78     | -8.66  | 0.30      | 0.01   | 0.31  |
| Telecom. Services      | 0.00      | 0.81   |           | -6.88  | 0.00      | -0.02  | -0.02 |
| Utilities              | 7.31      | 5.80   | -6.05     | -5.26  | -0.06     | 0.06   | 0.01  |
|                        | 100.00    | 100.00 | -10.61    | -9.51  | -1.00     | -0.09  | -1.10 |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect 0.21%

[ Actual Return -10.40% ] - [ Buy Hold Return -10.61% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                           | 1 Qtr  | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------------|--------|-------|--------|-------|-------|-------|--------|
| <b>EARNEST Partners Small Cap</b> |        |       |        |       |       |       |        |
| Total Return                      | -7.59  | -0.08 | 25.09  | -1.96 | -6.15 | -0.98 | 9.33   |
| Total Return (Net of Fees)        | -7.73  | -0.39 | 24.18  | -2.57 | -6.71 | -1.57 | 8.65   |
| Russell 2000                      | -9.93  | -1.96 | 21.48  | -4.56 | -8.60 | 0.37  | 3.00   |
| Variance                          | 2.33   | 1.87  | 3.61   | 2.59  | 2.45  | -1.34 | 6.33   |
| Russell 2000 Value                | -10.59 | -1.63 | 25.08  | -3.31 | -9.85 | -0.51 | 7.48   |

### EARNEST PARTNERS Small Cap Value Equity

#### OBJECTIVE

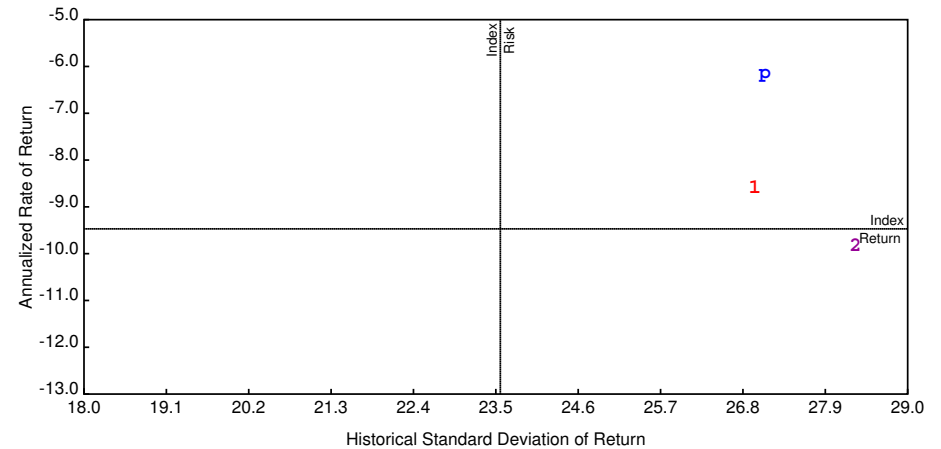
Out perform the Russell 2000 Index by 100 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

EARNEST Partners attempts to add value based on their proprietary research and modeling (Return Pattern Recognition) techniques. The model identifies five critical indicators: 1) Growth, 2) Profitability, 3) Valuation, 4) Operating Trends, and 5) Market Trends.

Return vs Risk  
Total Returns



|                                     | Annualized Return | Standard Deviation |
|-------------------------------------|-------------------|--------------------|
| <b>p</b> EARNEST Partners Small Cap | -6.15             | 27.14              |
| <b>1</b> Russell 2000               | -8.60             | 27.00              |
| <b>2</b> Russell 2000 Value         | -9.85             | 28.35              |
| Russell 3000                        | -9.47             | 23.56              |

#### CONCLUSIONS/RECOMMENDATIONS

EARNEST Partners out performed the Russell 2000 Index and ranked in the 16th percentile of their peer group during the second quarter of 2010.

Overall stock selection by the Manager, especially in the Energy and Information Technology sectors contributed to their out performance.

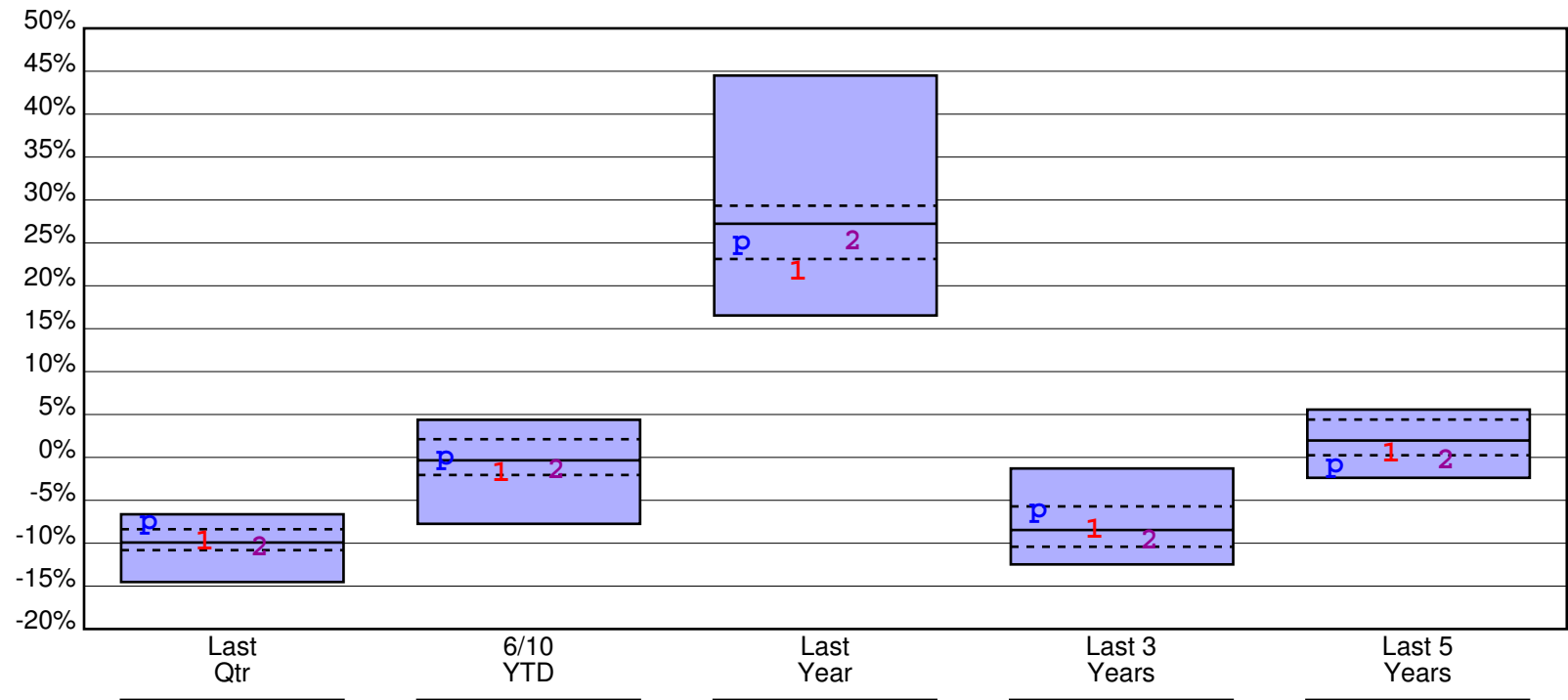
Long term, Manager has mixed results with respect to their objectives compared to the Russell 2000 Index and the median of their peer group.

# Atlanta General Employees Pension Fund

## Small Value Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



|                                     |             |            |            |            |            |
|-------------------------------------|-------------|------------|------------|------------|------------|
| 5th Percentile                      | -6.63       | 4.38       | 44.50      | -1.29      | 5.57       |
| 25th Percentile                     | -8.37       | 2.12       | 29.33      | -5.71      | 4.41       |
| Median                              | -9.92       | -0.34      | 27.23      | -8.46      | 1.97       |
| 75th Percentile                     | -10.81      | -2.05      | 23.12      | -10.41     | 0.25       |
| 95th Percentile                     | -14.52      | -7.74      | 16.54      | -12.47     | -2.38      |
| <b>p</b> EARNEST Partners Small Cap | -7.59(16)   | -0.08 (45) | 25.09 (65) | -6.15 (27) | -0.98 (90) |
| <b>1</b> Russell 2000               | -9.93(50)   | -1.96 (67) | 21.48 (78) | -8.60 (50) | 0.37 (70)  |
| <b>2</b> Russell 2000 Value         | -10.59 (68) | -1.63 (62) | 25.08 (65) | -9.85 (65) | -0.51 (79) |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### EARNEST Partners Small Cap

#### Period Ending 6/10

|                                | Portfolio  | Russell 2000 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|--------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 49         | 2,010        | Akamai Technologies  | 1,557,888 | 4.12      | 29.16         |
| Equity Market Value            | 37,876,508 |              | Sonicwall Inc        | 1,556,875 | 4.11      | 35.21         |
| Average Capitalization \$(000) | 2,437,128  | 920,985      | Whiting Pete Corp Ne | 1,450,770 | 3.83      | -2.99         |
| Median Capitalization \$(000)  | 1,331,290  | 399,182      | Sanmina Sci Corp     | 1,399,448 | 3.70      | -17.52        |
| Equity Segment Yield           | 0.72       | 1.29         | Raymond James Finl I | 1,158,578 | 3.06      | -7.26         |
| Equity Segment P/E - Average   | 23.49      | 39.00        | Republic Svcs Inc    | 1,119,186 | 2.96      | 3.11          |
| Equity Segment P/E - Median    | 18.52      | 12.31        | Jos A Bank Clothiers | 1,108,145 | 2.93      | -1.21         |
| Equity Segment Beta            | 1.26       | 1.24         | Blackboard Inc       | 992,978   | 2.62      | -10.39        |
| Price/Book Ratio               | 1.90       | 1.51         | Jefferies Group Inc  | 965,464   | 2.55      | -10.68        |
| Debt/Equity Ratio              | 36.22      | 26.97        | Hexcel Corp New      | 961,620   | 2.54      | 7.41          |
| Five Year Earnings Growth      | 4.03       | 1.37         |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 12.73     | 4.95   | -3.06     | -13.39 | 1.31      | -0.30  | 1.02  |
| Materials              | 3.21      | 4.61   | -0.74     | -12.65 | 0.38      | 0.04   | 0.42  |
| Industrials            | 19.58     | 15.32  | -6.14     | -7.48  | 0.26      | 0.09   | 0.35  |
| Consumer Discretionary | 8.03      | 14.71  | -15.47    | -13.05 | -0.19     | 0.23   | 0.04  |
| Consumer Staples       | 2.06      | 3.18   | 6.22      | -6.17  | 0.26      | -0.04  | 0.22  |
| Health Care            | 11.55     | 14.29  | -11.63    | -10.12 | -0.17     | 0.01   | -0.16 |
| Financials             | 14.33     | 21.23  | -11.57    | -9.06  | -0.36     | -0.04  | -0.40 |
| Information Technology | 26.35     | 17.88  | -3.81     | -8.60  | 1.26      | 0.08   | 1.34  |
| Telecom. Services      | 2.17      | 0.85   | -5.71     | -9.89  | 0.09      | -0.00  | 0.09  |
| Utilities              | 0.00      | 2.99   |           | -2.88  | 0.00      | -0.20  | -0.20 |
|                        | 100.00    | 100.00 | -6.86     | -9.58  | 2.84      | -0.11  | 2.73  |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect -0.94%

[ Actual Return -7.79% ] - [ Buy Hold Return -6.86% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|----------------------------|-------|-------|--------|-------|-------|-------|--------|
| <b>Jennison</b>            |       |       |        |       |       |       |        |
| Total Return               | -9.03 | 0.35  | 25.36  | -3.14 | -5.84 |       |        |
| Total Return (Net of Fees) | -9.22 | -0.08 | 24.27  | -4.00 | -6.68 |       |        |
| Russell 2000               | -9.93 | -1.96 | 21.48  | -4.56 | -8.60 |       |        |
| Variance                   | 0.90  | 2.31  | 3.88   | 1.41  | 2.76  |       |        |

### JENNISON Small Cap Core Equity

#### OBJECTIVE

Out perform the Russell 2000 Index by 100 basis points net of management fees over a full market cycle (approximately 5 years).

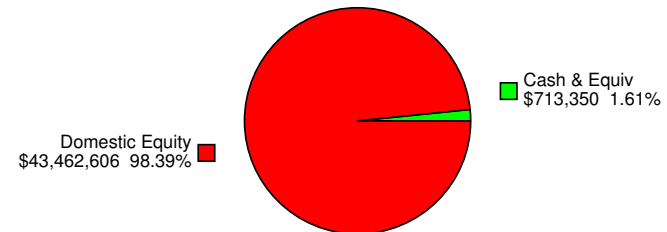
The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

Jennison uses a bottom-up, research intensive approach to construct diversified portfolios of companies with attractive valuations and projected superior earnings growth on an intermediate term basis.

### Asset Allocation Jennison

June 30, 2010 \$44,175,956



### CONCLUSIONS/RECOMMENDATIONS

In the second quarter 2010, Jennison out performed the Russell 2000 and placed Manager in the top 36th percentile of their universe. Their performance can primarily be attributed to strong stock selection and decisions in six of the ten sectors in which manager invested, especially the Consumer Staples, Health Care, Telecom. Services, and Industrials sectors.

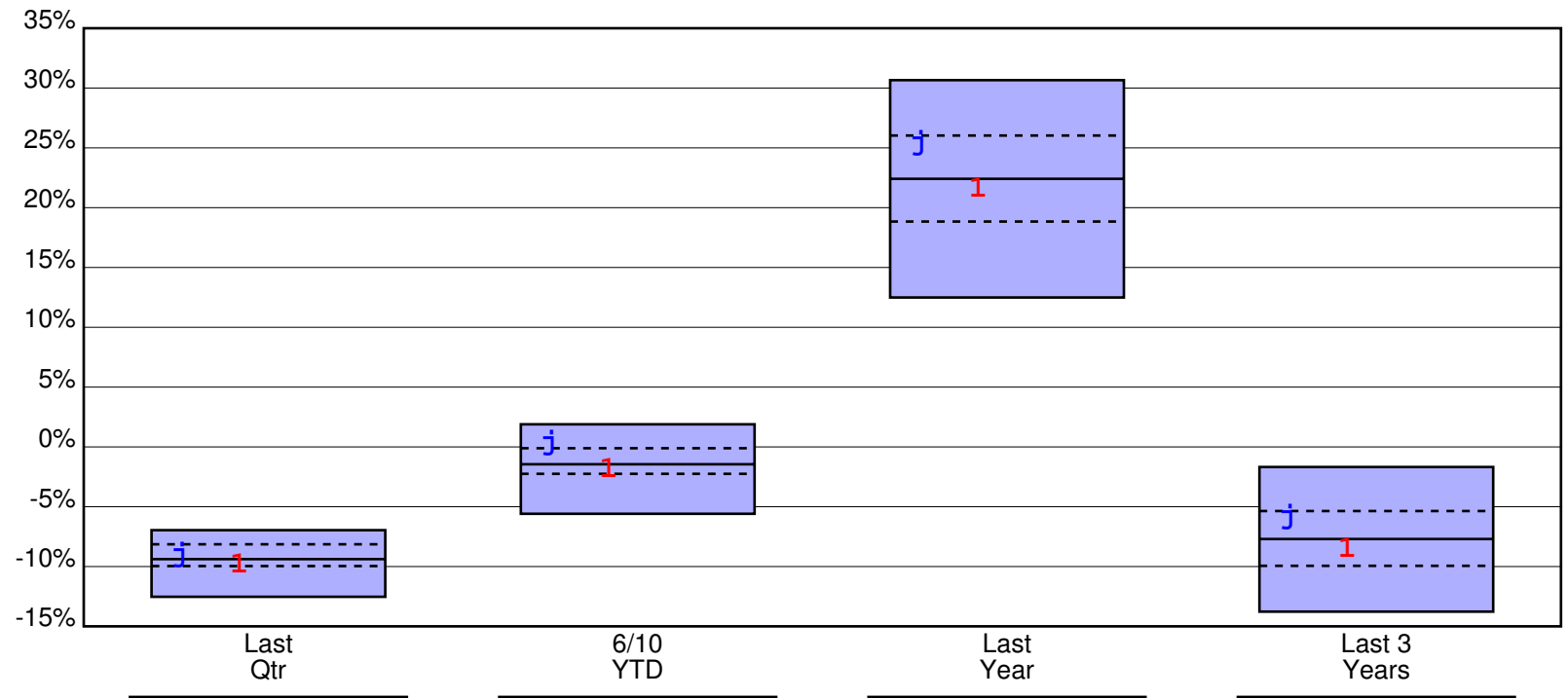
Long term, manager has met the performance objective versus the benchmark and met their peer group objective in all time periods measured.

# Atlanta General Employees Pension Fund

## Small Neutral Cumulative Performance Comparisons

### Total Returns of Equity Portfolios

#### Periods Ending 6/10



|                 |            |            |            |            |
|-----------------|------------|------------|------------|------------|
| 5th Percentile  | -6.96      | 1.89       | 30.66      | -1.68      |
| 25th Percentile | -8.14      | -0.11      | 26.03      | -5.36      |
| Median          | -9.38      | -1.45      | 22.41      | -7.70      |
| 75th Percentile | -9.96      | -2.25      | 18.84      | -9.94      |
| 95th Percentile | -12.53     | -5.59      | 12.49      | -13.77     |
| j Jennison      | -9.03 (36) | 0.35 (18)  | 25.36 (29) | -5.84 (28) |
| 1 Russell 2000  | -9.93 (70) | -1.96 (68) | 21.48 (58) | -8.60 (64) |

# Atlanta General Employees Pension Fund

## Equity Summary Statistics

### Jennison

#### Period Ending 6/10

|                                | Portfolio  | Russell 2000 | Ten Largest Holdings | Mkt Value | % of Port | Quarterly Ret |
|--------------------------------|------------|--------------|----------------------|-----------|-----------|---------------|
| Total Number Of Securities     | 113        | 2,010        | Stancorp Finl Group  | 1,122,309 | 2.58      | -14.89        |
| Equity Market Value            | 43,462,606 |              | Integra Lifesciences | 954,600   | 2.20      | -15.58        |
| Average Capitalization \$(000) | 1,515,595  | 920,985      | Wiley John & Sons In | 915,319   | 2.11      | -10.65        |
| Median Capitalization \$(000)  | 1,315,115  | 399,182      | Rbc Bearings Inc     | 857,379   | 1.97      | -9.04         |
| Equity Segment Yield           | 0.75       | 1.29         | Berkley W R Corp     | 828,198   | 1.91      | 1.68          |
| Equity Segment P/E - Average   | 22.28      | 39.00        | United Nat Foods Inc | 809,121   | 1.86      | 6.22          |
| Equity Segment P/E - Median    | 18.03      | 12.31        | Protective Life Corp | 808,542   | 1.86      | -2.10         |
| Equity Segment Beta            | 1.21       | 1.24         | Bank of the Ozarks I | 750,191   | 1.73      | 1.20          |
| Price/Book Ratio               | 1.92       | 1.51         | Sba Communications C | 748,220   | 1.72      | -5.71         |
| Debt/Equity Ratio              | 40.66      | 26.97        | Ntelos Hldgs Corp    | 739,411   | 1.70      | -1.74         |
| Five Year Earnings Growth      | 8.17       | 1.37         |                      |           |           |               |

| GICS Sectors           | Weight    |        | Return    |        | Selection |        |       |
|------------------------|-----------|--------|-----------|--------|-----------|--------|-------|
|                        | Portfolio | Index  | Portfolio | Index  | Stock     | Sector | Total |
| Energy                 | 6.87      | 4.95   | -12.27    | -13.39 | 0.08      | -0.07  | 0.00  |
| Materials              | 3.94      | 4.61   | -13.64    | -12.65 | -0.04     | 0.02   | -0.02 |
| Industrials            | 17.26     | 15.32  | -6.91     | -7.48  | 0.10      | 0.04   | 0.14  |
| Consumer Discretionary | 11.63     | 14.71  | -13.26    | -13.05 | -0.02     | 0.11   | 0.08  |
| Consumer Staples       | 6.39      | 3.18   | 1.61      | -6.17  | 0.50      | 0.11   | 0.61  |
| Health Care            | 13.95     | 14.29  | -5.98     | -10.12 | 0.58      | 0.00   | 0.58  |
| Financials             | 13.80     | 21.23  | -10.61    | -9.06  | -0.21     | -0.04  | -0.25 |
| Information Technology | 19.99     | 17.88  | -11.50    | -8.60  | -0.58     | 0.02   | -0.56 |
| Telecom. Services      | 4.91      | 0.85   | -5.21     | -9.89  | 0.23      | -0.01  | 0.22  |
| Utilities              | 1.25      | 2.99   | -0.47     | -2.88  | 0.03      | -0.12  | -0.09 |
|                        | 100.00    | 100.00 | -8.87     | -9.58  | 0.65      | 0.06   | 0.71  |

Stock Selection Return Attribution

[ Portfolio Market Value Sector Percentage ] \* [ Portfolio Sector Return - Index Sector Return ]

Sector Selection Return Attribution

[ Portfolio Sector Percentage - Index Sector Percentage ] \* [ Index Sector Return - Index Total Return ]

Trading Effect -0.27%

[ Actual Return -9.15% ] - [ Buy Hold Return -8.87% ]

# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr | YTD   | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|----------------------------|-------|-------|--------|-------|-------|-------|--------|
| <b>Atlanta Capital</b>     |       |       |        |       |       |       |        |
| Total Return               | 2.88  | 4.34  | 6.77   | 7.19  | 7.53  | 5.65  |        |
| Total Return (Net of Fees) | 2.85  | 4.28  | 6.64   | 7.07  | 7.41  | 5.52  |        |
| Barclays Int Govt/Credit   | 2.97  | 4.55  | 8.28   | 6.77  | 6.98  | 5.26  |        |
| Variance                   | -0.08 | -0.22 | -1.51  | 0.42  | 0.55  | 0.39  |        |

### ATLANTA CAPITAL Intermediate Fixed Income

#### OBJECTIVE

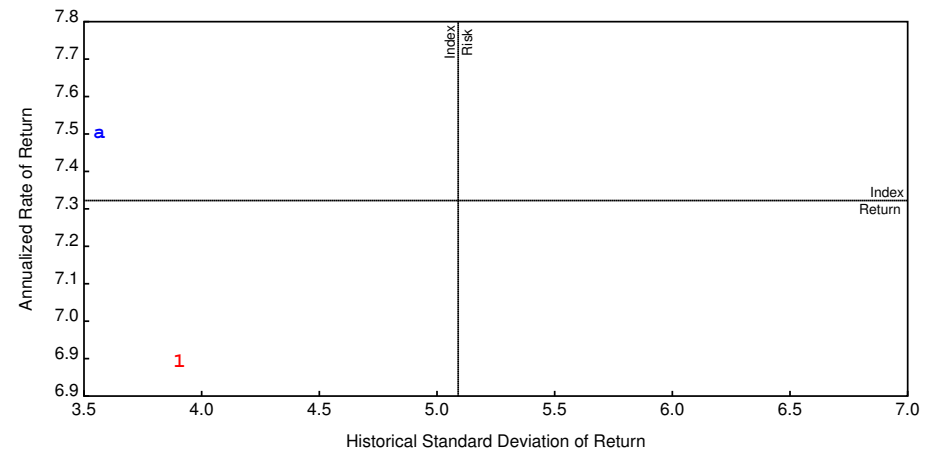
Out perform the BGI Intermediate Government/Credit Index by 50 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

Atlanta Capital uses a risk-adjusted security assessment approach. The manager invests in Treasuries and Agencies to manage the duration and provide liquidity, short-term AAA rated mortgages asset-backed securities for additional return, and opportunistically to corporates when spreads compensate lenders for the risk.

Return vs Risk  
Total Returns



|                            | Annualized Return | Standard Deviation |
|----------------------------|-------------------|--------------------|
| a Atlanta Capital          | 7.53              | 3.58               |
| 1 Barclays Int Govt/Credit | 6.98              | 3.92               |
| Barclays Govt/Credit       | 7.37              | 5.09               |

#### CONCLUSIONS/RECOMMENDATIONS

Atlanta Capital under performed the Barclays Int Gov/Credit Index during the second quarter 2010, ranking them below their peer group objective. The portfolio was underweighted in corporate and treasuries, and overweighted in mortgage- and asset-backed securities.

Year-to-date, Atlanta Capital under performed the Barclays Int Gov/Credit Index by 22 basis points, placing them near the 77<sup>th</sup> percentile of their peer group.

Long term, manager has met the performance objectives compared to the benchmark, but has not met their peer group objective. Over the last five years, Manager has out performed their benchmark by 39 basis points.

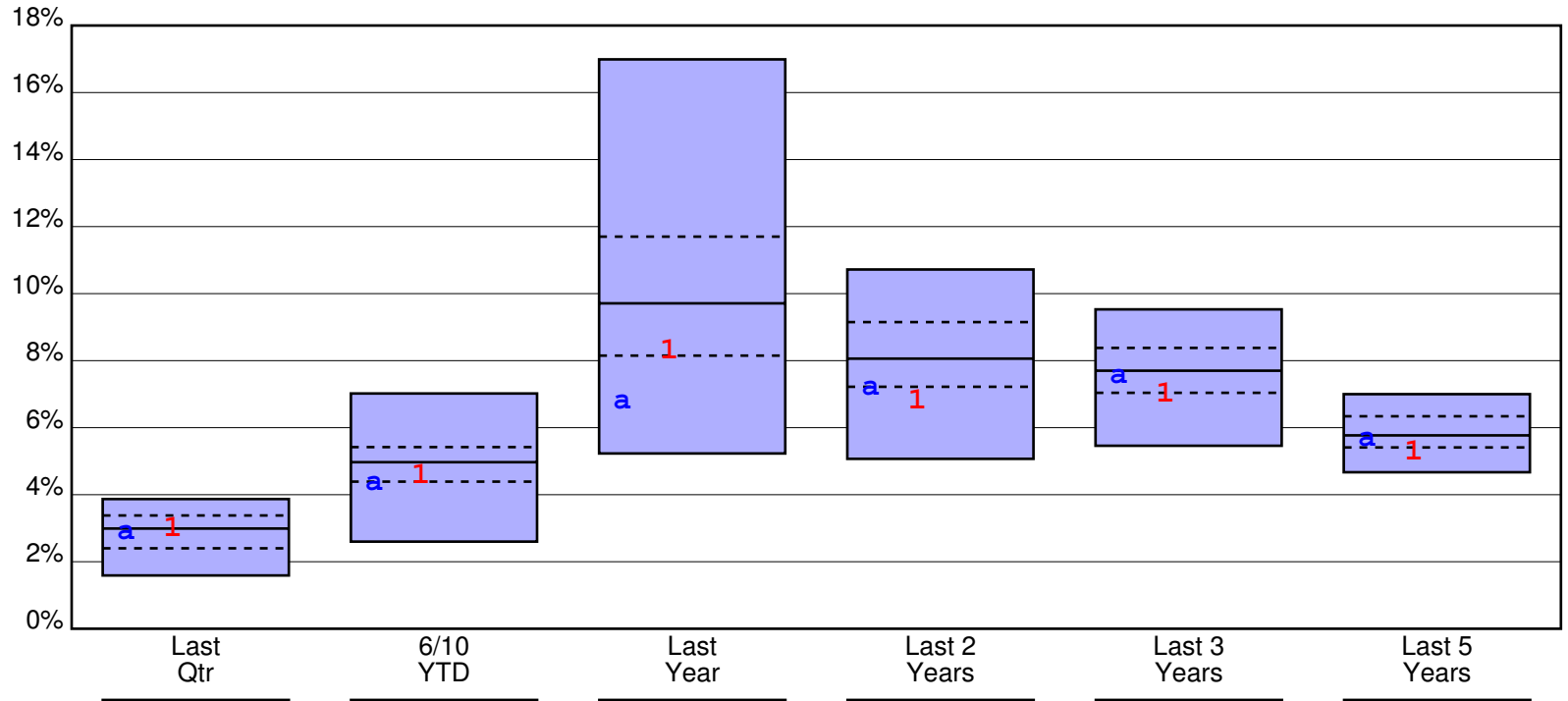


# Atlanta General Employees Pension Fund

## Intermediate Term Cumulative Performance Comparisons

### Total Returns of Fixed Income Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

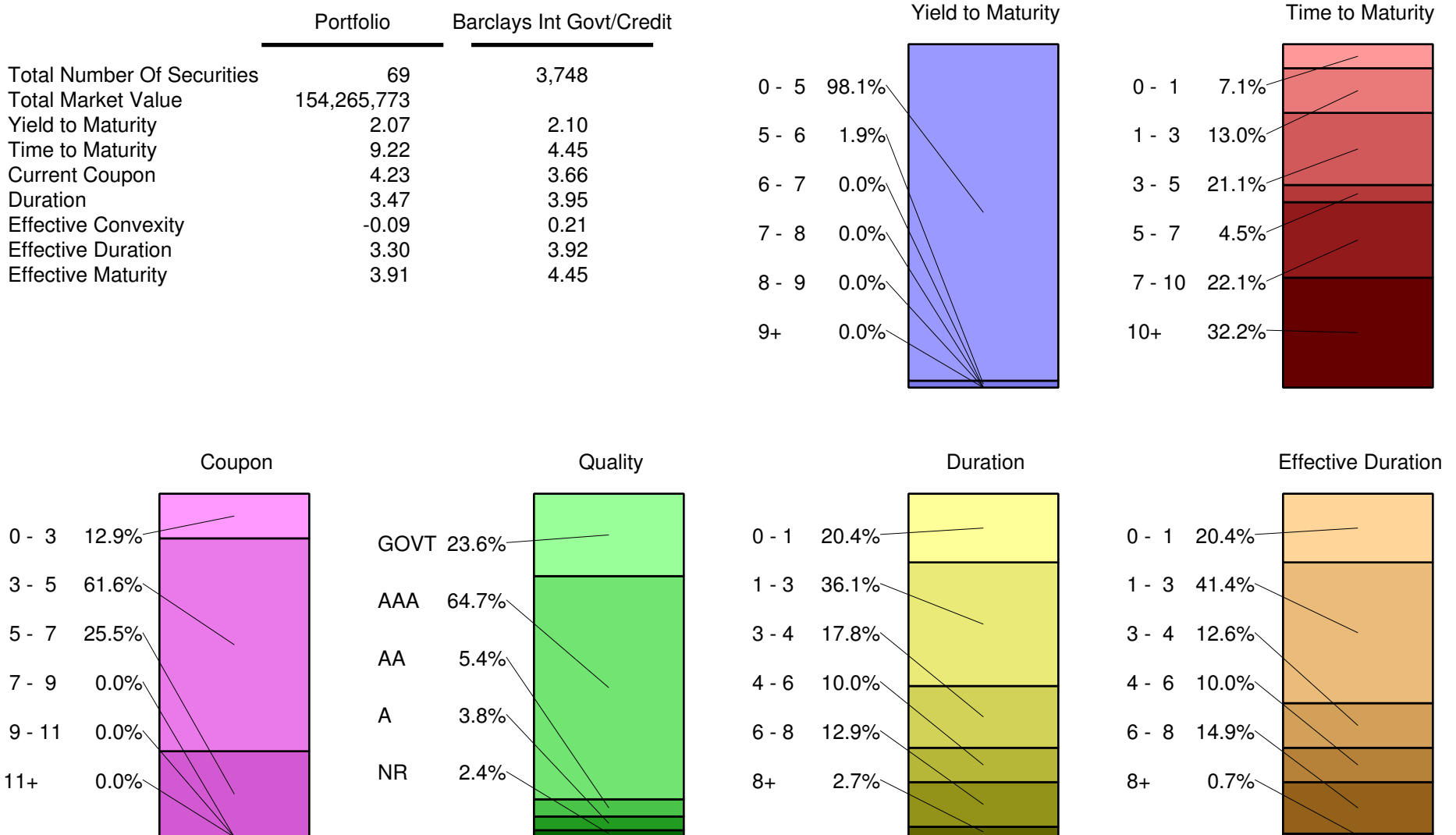
|                                   | Last<br>Qtr | 6/10<br>YTD | Last<br>Year | Last 2<br>Years | Last 3<br>Years | Last 5<br>Years |
|-----------------------------------|-------------|-------------|--------------|-----------------|-----------------|-----------------|
| 5th Percentile                    | 3.87        | 7.02        | 16.99        | 10.72           | 9.53            | 7.00            |
| 25th Percentile                   | 3.38        | 5.42        | 11.70        | 9.15            | 8.38            | 6.34            |
| Median                            | 2.99        | 4.97        | 9.71         | 8.06            | 7.70            | 5.77            |
| 75th Percentile                   | 2.40        | 4.39        | 8.15         | 7.22            | 7.04            | 5.41            |
| 95th Percentile                   | 1.59        | 2.60        | 5.23         | 5.07            | 5.46            | 4.67            |
| <b>a</b> Atlanta Capital          | 2.88 (57)   | 4.34 (77)   | 6.77 (86)    | 7.19 (75)       | 7.53 (59)       | 5.65 (62)       |
| <b>1</b> Barclays Int Govt/Credit | 2.97 (51)   | 4.55 (69)   | 8.28 (74)    | 6.77 (81)       | 6.98 (75)       | 5.26 (82)       |

# Atlanta General Employees Pension Fund

## Fixed Income, Mortgage and Municipals Summary Statistics

### Atlanta Capital

#### Quarter Ending 6/10



# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr | YTD  | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|----------------------------|-------|------|--------|-------|-------|-------|--------|
| <b>JP Morgan/Bank One</b>  |       |      |        |       |       |       |        |
| Total Return               | 3.71  | 5.94 | 9.51   | 8.57  | 8.43  | 6.25  |        |
| Total Return (Net of Fees) | 3.64  | 5.79 | 9.21   | 8.27  | 8.14  | 5.97  |        |
| Barclays U.S. Aggregate    | 3.49  | 5.33 | 9.50   | 7.76  | 7.55  | 5.54  |        |
| Variance                   | 0.22  | 0.60 | 0.02   | 0.81  | 0.88  | 0.71  |        |

### JP MORGAN/BANK ONE Core Fixed Income

#### OBJECTIVE

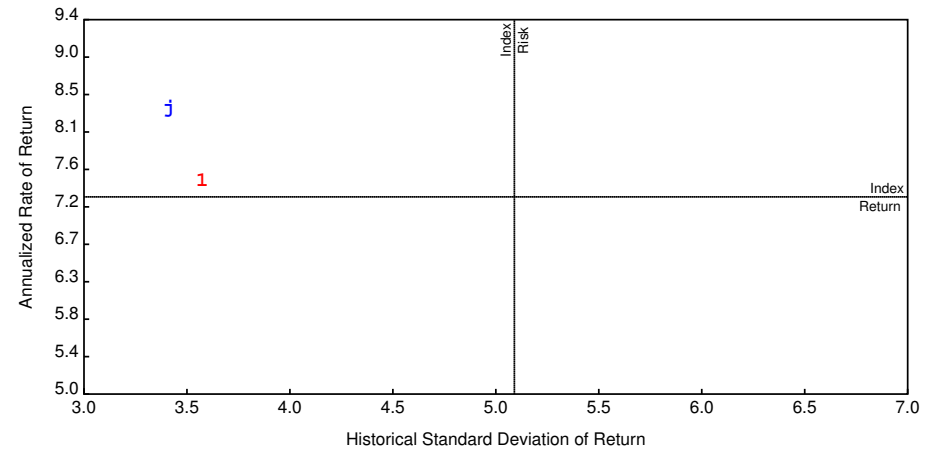
Out perform the BGI Aggregate Index by 50 basis points net of management fees over a full market cycle (approximately 5 years).

The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

JP Morgan attempts to add value by identifying securities that are inefficiently priced through a bottom-up, value-oriented approach. Sector allocations are based on sector risk/return expectations and bottom-up research. Duration management is a function of controlling the risk of the portfolio control. Yield curve management emphasis relative risk/reward relationships. The manager may only invest in investment grade securities.

Return vs Risk  
Total Returns



|                           | Annualized Return | Standard Deviation |
|---------------------------|-------------------|--------------------|
| j JP Morgan/Bank One      | 8.43              | 3.43               |
| 1 Barclays U.S. Aggregate | 7.55              | 3.59               |
| Barclays Govt/Credit      | 7.37              | 5.09               |

#### CONCLUSIONS/RECOMMENDATIONS

JP Morgan out performed the Barclays U.S. Aggregate Index by 22 bps during the second quarter 2010, placing them in the top quartile of their peer group.

Year-to-date, JP Morgan out performed the Barclays U.S. Aggregate Index by 60 basis points, placing them in the 20th percentile of their peer group.

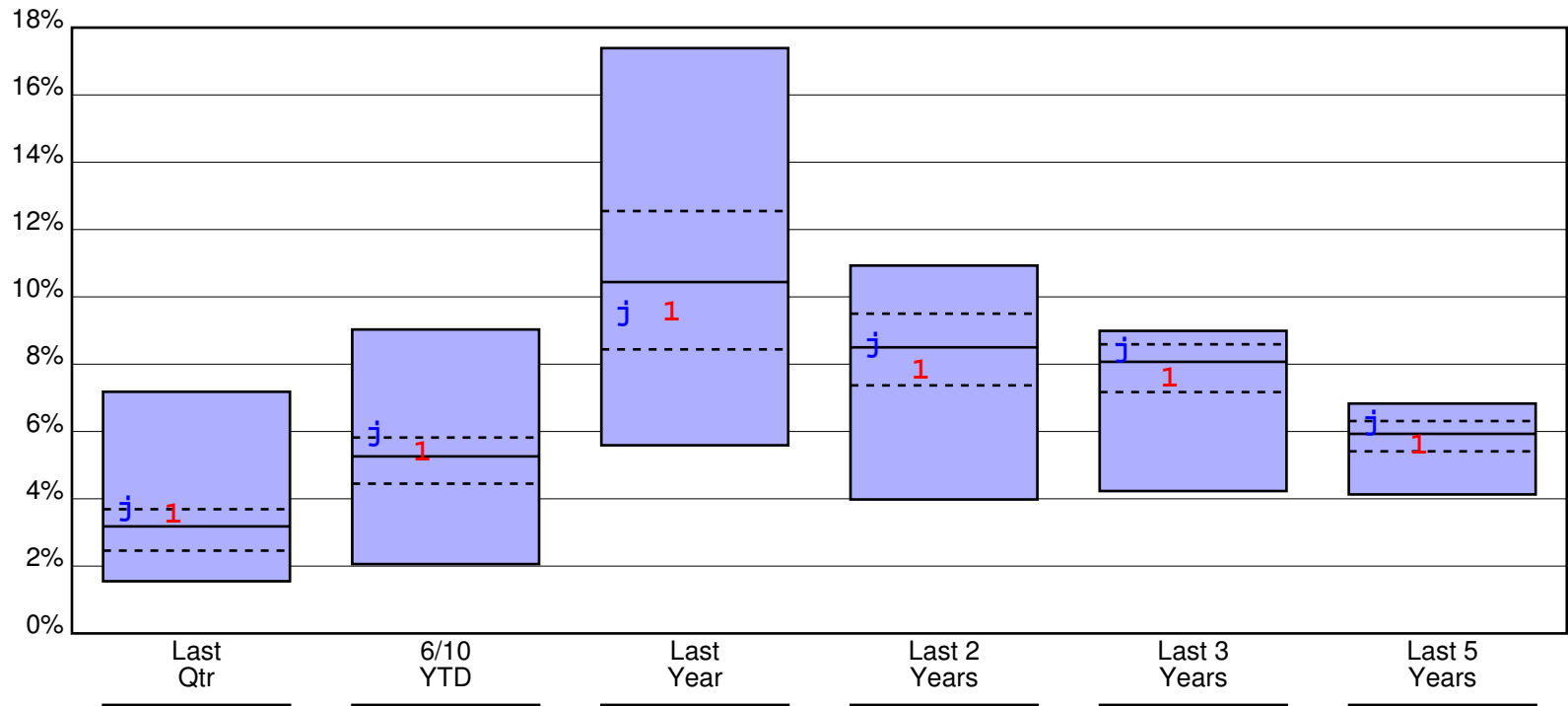
In time periods greater than 1-year, JP Morgan out performed the Barclays U.S. Aggregate Index, but has mixed results against their peer group objective.

# Atlanta General Employees Pension Fund

## Fixed Income Core Cumulative Performance Comparisons

### Total Returns of Fixed Income Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

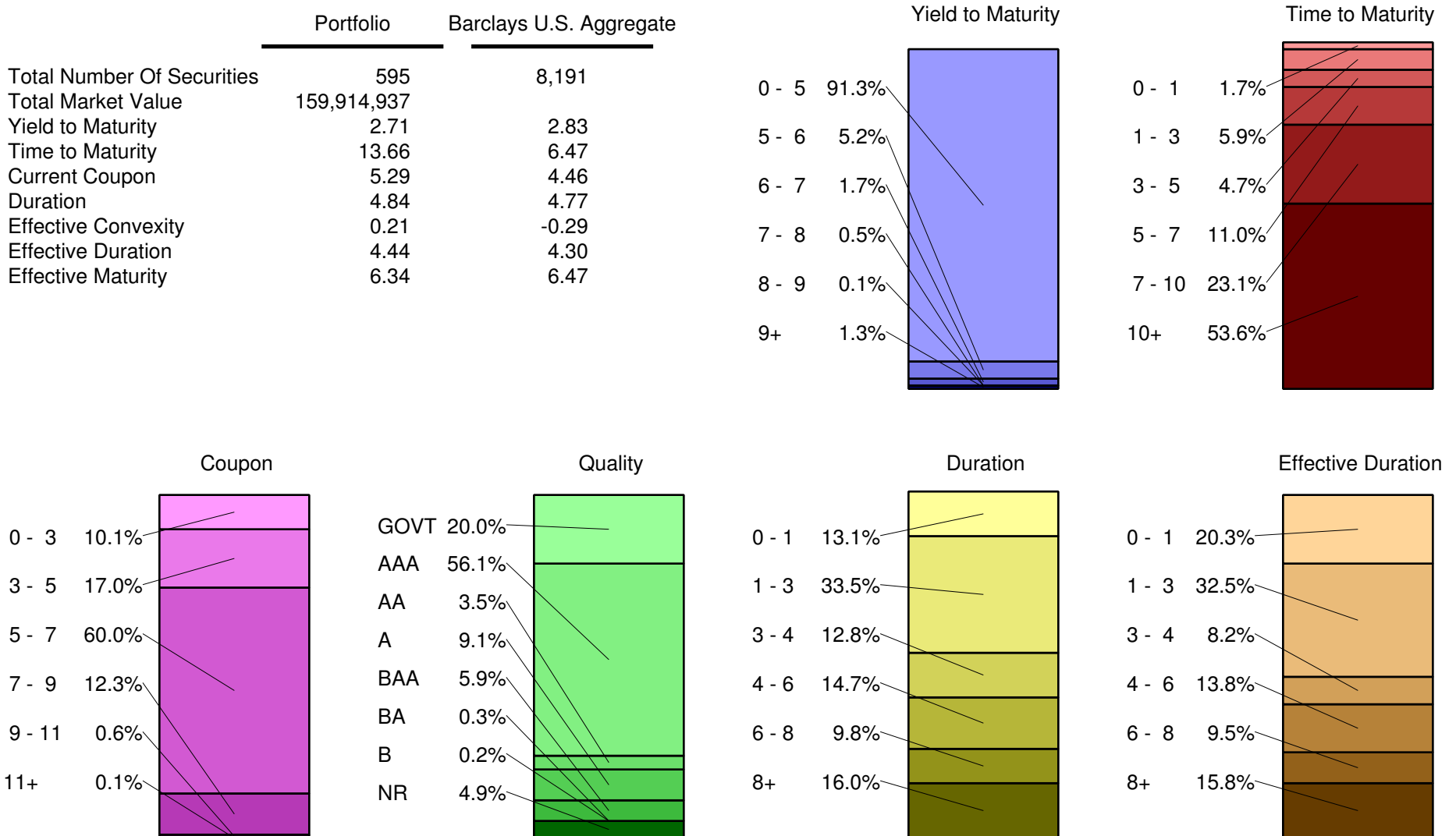
|                                  | Last Qtr  | 6/10 YTD  | Last Year | Last 2 Years | Last 3 Years | Last 5 Years |
|----------------------------------|-----------|-----------|-----------|--------------|--------------|--------------|
| 5th Percentile                   | 7.18      | 9.03      | 17.39     | 10.93        | 8.99         | 6.83         |
| 25th Percentile                  | 3.69      | 5.82      | 12.55     | 9.50         | 8.59         | 6.31         |
| Median                           | 3.18      | 5.26      | 10.44     | 8.50         | 8.07         | 5.93         |
| 75th Percentile                  | 2.46      | 4.45      | 8.44      | 7.37         | 7.17         | 5.41         |
| 95th Percentile                  | 1.55      | 2.06      | 5.59      | 3.98         | 4.23         | 4.13         |
| <b>j</b> JP Morgan/Bank One      | 3.71 (22) | 5.94 (20) | 9.51 (63) | 8.57 (45)    | 8.43 (32)    | 6.25 (30)    |
| <b>1</b> Barclays U.S. Aggregate | 3.49 (32) | 5.33 (47) | 9.50 (63) | 7.76 (65)    | 7.55 (62)    | 5.54 (63)    |

# Atlanta General Employees Pension Fund

## Fixed Income, Mortgage and Municipals Summary Statistics

### JP Morgan/Bank One

### Quarter Ending 6/10



# Atlanta General Employees Pension Fund

## June 30, 2010

Performance Summary Table  
Periods Ending 6/30/10

| Manager                    | 1 Qtr | YTD  | 1 Year | 2 Yrs | 3 Yrs | 5 Yrs | 10 Yrs |
|----------------------------|-------|------|--------|-------|-------|-------|--------|
| <b>Mesirow</b>             |       |      |        |       |       |       |        |
| Total Return               | 3.60  | 5.90 | 11.41  | 9.75  | 8.83  |       |        |
| Total Return (Net of Fees) | 3.60  | 5.83 | 11.27  | 9.55  | 8.61  |       |        |
| Barclays U.S. Aggregate    | 3.49  | 5.33 | 9.50   | 7.76  | 7.55  |       |        |
| Variance                   | 0.11  | 0.56 | 1.91   | 1.99  | 1.28  |       |        |

### MESIROW Core Fixed Income

#### OBJECTIVE

Out perform the BGI Aggregate Index by 50 basis points net of management fees over a full market cycle (approximately 5 years).

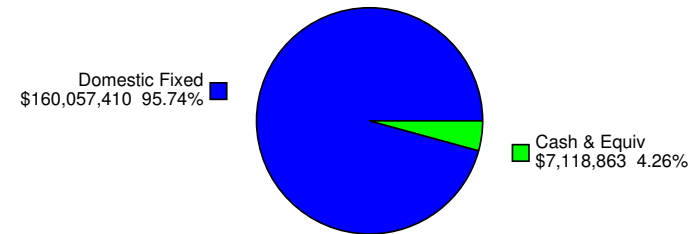
The manager is also expected to rank in the top 40% of managers in an appropriate style peer group over a full market cycle.

#### STRATEGY

Mesirow attempts to add value by focusing on sector and security analysis. Duration management and yield curve positioning are functions of longer-term analysis. The manager may only invest in investment grade securities.

### Asset Allocation Mesirow

June 30, 2010 \$167,176,273



#### CONCLUSIONS/RECOMMENDATIONS

Mesirow slightly out performed the Barclays U.S. Aggregate Index by 11 basis points during the second quarter 2010, placing them in the 29th percentile of their peer group. An overweight to the Corporate, ABS, and CMBS sectors were the main detractors from performance.

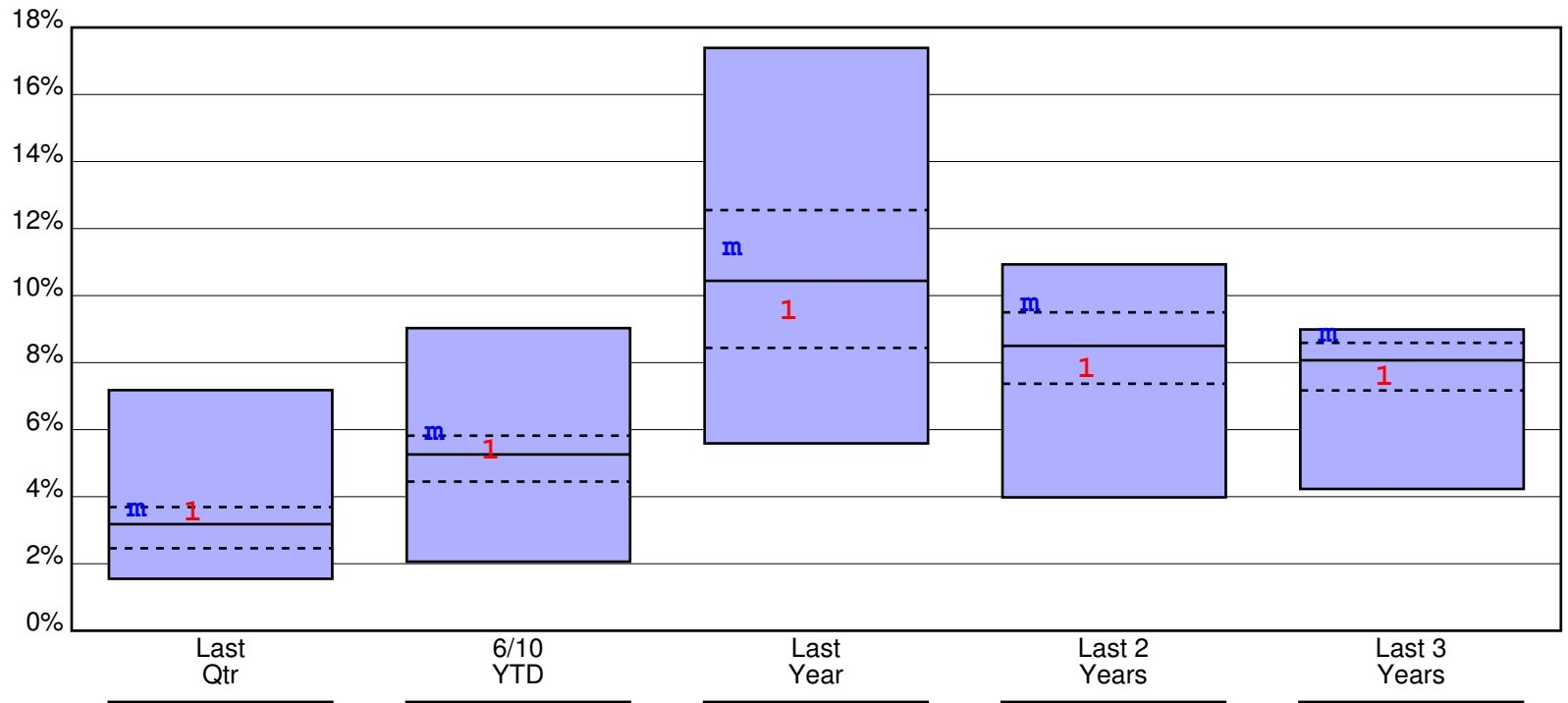
Mesirow has out performed the Barclays U.S. Aggregate and the median of their peers in all time periods measured.

# Atlanta General Employees Pension Fund

## Fixed Income Core Cumulative Performance Comparisons

### Total Returns of Fixed Income Portfolios

#### Periods Ending 6/10



5th Percentile  
25th Percentile  
Median  
75th Percentile  
95th Percentile

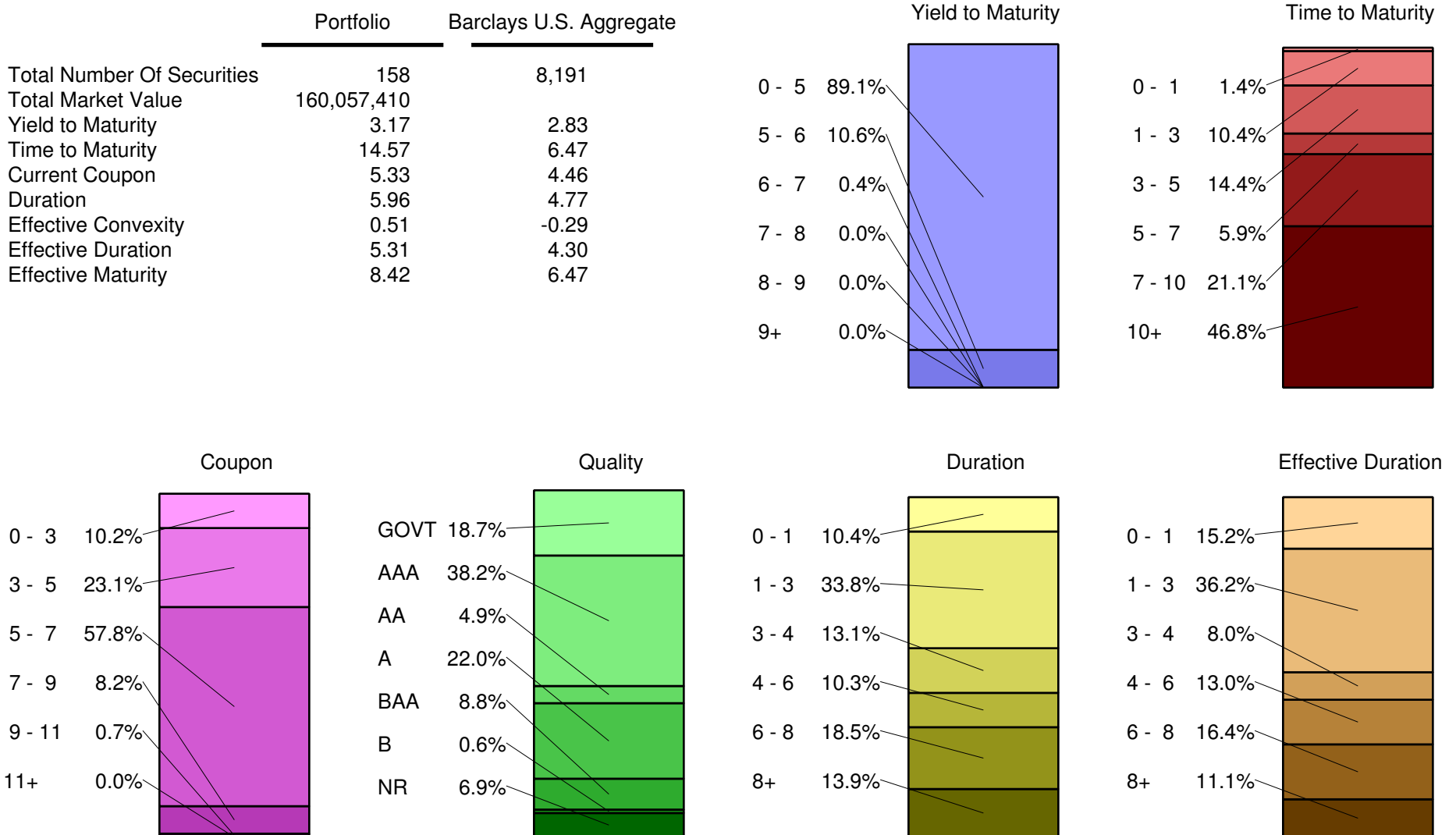
|                                  | Last Qtr  | 6/10 YTD  | Last Year  | Last 2 Years | Last 3 Years |
|----------------------------------|-----------|-----------|------------|--------------|--------------|
| 5th Percentile                   | 7.18      | 9.03      | 17.39      | 10.93        | 8.99         |
| 25th Percentile                  | 3.69      | 5.82      | 12.55      | 9.50         | 8.59         |
| Median                           | 3.18      | 5.26      | 10.44      | 8.50         | 8.07         |
| 75th Percentile                  | 2.46      | 4.45      | 8.44       | 7.37         | 7.17         |
| 95th Percentile                  | 1.55      | 2.06      | 5.59       | 3.98         | 4.23         |
| <b>m</b> Mesirow                 | 3.60 (29) | 5.90 (21) | 11.41 (39) | 9.75 (21)    | 8.83 (11)    |
| <b>1</b> Barclays U.S. Aggregate | 3.49 (32) | 5.33 (47) | 9.50 (63)  | 7.76 (65)    | 7.55 (62)    |

# Atlanta General Employees Pension Fund

## Fixed Income, Mortgage and Municipals Summary Statistics

### Mesirow

### Quarter Ending 6/10





**APPENDIX A**  
**EQUITY COMMISSION REPORT**

| QUARTER                            | Wellington    | Madison Square<br>Investors | Globalt          | EARNEST Partners |                 | New<br>Amsterdam | Union<br>Heritage | Jennison         | Ceredex          | Total             |
|------------------------------------|---------------|-----------------------------|------------------|------------------|-----------------|------------------|-------------------|------------------|------------------|-------------------|
|                                    |               |                             |                  | Large Cap        | Small Cap       |                  |                   |                  |                  |                   |
| Execution                          | \$ -          | \$ 5,491                    | \$ 18,964        | \$ -             | \$ 1,188        | \$ 11,764        | \$ 960            | \$ 10,031        | \$ 3,269         | \$ 51,666         |
| Research                           | \$ -          | \$ 269                      | \$ -             | \$ -             | \$ 4,203        | \$ 6,049         | \$ -              | \$ 4,868         | \$ 39,755        | \$ 55,143         |
| Client Directed                    |               |                             |                  |                  |                 |                  |                   |                  |                  |                   |
| Bank Of New York                   | \$ 172        | \$ 8,130                    | \$ 10,564        | \$ -             | \$ -            | \$ 5,472         | \$ -              | \$ 2,523         | \$ -             | \$ 26,861         |
| Commission Recapture               | \$ -          | \$ 8,130                    | \$ 10,564        | \$ -             | \$ -            | \$ 5,504         | \$ -              | \$ 2,523         | \$ 35,642        | \$ 62,363         |
| Minority Directed/Georgia Brokers  | \$ -          | \$ -                        | \$ 14,512        | \$ 1,268         | \$ 3,167        | \$ 8,864         | \$ -              | \$ -             | \$ -             | \$ 27,811         |
| <b>Total</b>                       | <u>\$ 172</u> | <u>\$ 13,890</u>            | <u>\$ 29,528</u> | <u>\$ -</u>      | <u>\$ 5,391</u> | <u>\$ 23,285</u> | <u>\$ 960</u>     | <u>\$ 17,422</u> | <u>\$ 43,023</u> | <u>\$ 133,671</u> |
| Avg. cents per share               | \$0.02        | \$0.01                      | \$0.04           | \$0.04           | \$0.03          | \$0.04           | \$0.04            | \$0.03           | \$0.03           | \$0.03            |
| % Minority Brokers/Georgia Brokers | 0.0%          | 0.0%                        | 49.1%            |                  | 58.7%           | 38.1%            | 0.0%              | 0.0%             | 0.0%             | 20.8%             |
| YTD                                | Wellington    | Madison Square<br>Investors | Globalt          | Earnest Partners |                 | New<br>Amsterdam | Union<br>Heritage | Jennison         | Ceredex          | Total             |
|                                    |               |                             |                  | Large Cap        | Small Cap       |                  |                   |                  |                  |                   |
| Execution                          | \$ -          | \$ 6,487                    | \$ 41,332        | \$ 262           | \$ 1,312        | \$ 24,636        | \$ 1,080          | \$ 18,123        | \$ 6,647         | \$ 99,878         |
| Research                           | \$ -          | \$ 2,027                    | \$ -             | \$ 928           | \$ 4,203        | \$ 9,603         | \$ -              | \$ 9,458         | \$ 80,598        | \$ 106,818        |
| Client Directed                    |               |                             |                  |                  |                 |                  |                   |                  |                  |                   |
| Magna Securities                   | \$ 87         | \$ -                        | \$ -             |                  | \$ -            | \$ 2,719         | \$ 120            | \$ -             | \$ 1,001         | \$ 3,927          |
| Bank of New York                   | \$ 476        | \$ 9,148                    | \$ 39,252        | \$ 3,087         |                 | \$ 9,492         | \$ -              | \$ 5,014         | \$ -             | \$ 66,469         |
| Commission Recapture               | \$ 600        | \$ 9,099                    | \$ 15,236        | \$ -             | \$ 2,580        | \$ 12,211        | \$ 120            | \$ 5,014         | \$ 72,102        | \$ 116,962        |
| Minority Directed/Georgia Brokers  | \$ -          | \$ 2,364                    | \$ 42,916        | \$ 2,864         | \$ 6,476        | \$ 19,987        | \$ 120            | \$ -             | \$ -             | \$ 74,727         |
| <b>Total</b>                       | <u>\$ 563</u> | <u>\$ 17,662</u>            | <u>\$ 80,584</u> | <u>\$ 4,277</u>  | <u>\$ 5,515</u> | <u>\$ 46,450</u> | <u>\$ 1,200</u>   | <u>\$ 32,595</u> | <u>\$ 88,246</u> | <u>\$ 277,092</u> |
| Avg. cents per share               | \$0.02        | \$0.01                      | \$0.04           | \$0.04           | \$0.03          | \$0.04           | \$0.04            | \$0.03           | \$0.03           | \$0.03            |
| % Minority Brokers/Georgia Brokers | 0.0%          | 13.4%                       | 53.3%            |                  | 67.0%           | 43.0%            | 10.0%             | 0.0%             | 0.0%             | 27.0%             |

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid. Earnest Partners have combined values for LJR MAGNA.

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## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

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**Manager:** Union Heritage Capital Management

Commission Details

|                          | Quarter Ending<br>30-Jun-10 |
|--------------------------|-----------------------------|
| Execution                | \$ 960                      |
| Research                 | \$ -                        |
| Client Directed Trading  |                             |
| Majority Directed        | \$ -                        |
| Minority Directed        | \$ 960                      |
| Georgia Brokers          | \$ -                        |
| Commission Recapture     | \$ -                        |
| Total Comm. Dollars Paid | \$ 960                      |
| Avg. cents per share     | 0.04                        |
| % Minority Brokers       | 0.00%                       |

| Person      | Firm         | Commission<br>Dollars | Minority<br>Background* |
|-------------|--------------|-----------------------|-------------------------|
| Taino Roman | Loop Capital | \$ 960                | AA                      |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

**Manager:** GLOBALT, Inc.

Commission Details

|                          | Quarter Ending<br>30-Jun-10 |
|--------------------------|-----------------------------|
| Execution                | \$ 18,964                   |
| Research                 | \$ -                        |
| Client Directed Trading  |                             |
| Majority Directed        | \$ -                        |
| Minority Directed        | \$ 8,400                    |
| Georgia Brokers          | \$ 6,112                    |
| Commission Recapture     | \$ 10,564                   |
| Total Comm. Dollars Paid | \$ 18,964                   |
| Avg. cents per share     | 0.04                        |
| % Minority Brokers       | 49.1%                       |

| Person          | Firm                      | Commission<br>Dollars | Minority<br>Background* |
|-----------------|---------------------------|-----------------------|-------------------------|
| TIM HOOPER      | JP MORGAN                 |                       |                         |
| BILL BERRY      | CITIGROUP CAPITAL MARKETS |                       |                         |
| KEITH REILLY    | ISI GROUP                 |                       |                         |
| KANDY OUTLAW    | JACKSON SECURITIES        | \$ 3,124              | AA/WM                   |
| MITCHELL PINEAU | LIQUIDNET                 |                       |                         |
| JASON WIDENER   | BNY CONVERGEX             | \$ 10,564             |                         |
| JEFF NEVILLE    | MERRILL LYNCH & CO        |                       |                         |
| NATHAN LEWIS    | SECURITY CAPITAL          | \$ 2,988              | AA                      |
| LARRY MENDEL    | NED DAVIS RESEARCH        |                       |                         |
| LEE JENKINS     | WELLS FARGO ADVISORS      |                       | AA                      |
| HOLLIS COPELAND | WILLIAMS CAPITAL GROUP    | \$ 2,288              | AA                      |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

**Manager:** EARNEST Partners - Large Cap

Commission Details

| Quarter Ending<br>30-Jun-10 |          |
|-----------------------------|----------|
| Execution                   | \$ -     |
| Research                    | \$ -     |
| Client Directed Trading     |          |
| Majority Directed           | \$ -     |
| Minority Directed           | \$ 1,268 |
| Georgia Brokers             | \$ -     |
| Commission Recapture        | \$ -     |
| Total Comm. Dollars Paid    | \$ 1,268 |
| Avg. cents per share        | 0.04     |
| % Minority Brokers          | 0.0%     |

| Person          | Firm    | Commission<br>Dollars | Minority<br>Background* |
|-----------------|---------|-----------------------|-------------------------|
| DENNEY IGNARSKI | MR BEAL | \$ 1,268.00           | AA                      |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

**Manager:** EARNEST Partners - Small Cap

Commission Details

| Quarter Ending<br>30-Jun-10 |          |
|-----------------------------|----------|
| Execution                   | \$ 1,188 |
| Research                    | \$ 4,203 |
| Client Directed Trading     |          |
| Majority Directed           | \$ 2,367 |
| Minority Directed           | \$ 3,167 |
| Georgia Brokers             | \$ -     |
| Commission Recapture        | \$ -     |
| Total Comm. Dollars Paid    | \$ 5,534 |
| Avg. cents per share        | 0.03     |
| % Minority Brokers          |          |

| Person          | Firm                     | Commission<br>Dollars | Minority<br>Background* |
|-----------------|--------------------------|-----------------------|-------------------------|
| COREY WARE      | CAPITAL INST/SOFT DOLLAR | \$ 143.00             |                         |
| TRADING DESK    | JONES & ASSOCIATES       | \$ 346.00             |                         |
| TRADING DESK    | KAUFMAN BROTHERS         | \$ 2,166.00           | HS                      |
| TRADING DESK    | LIQUIDNET                | \$ 842.00             |                         |
| DENNEY IGNARSKI | MR BEAL                  | \$ 1,001.00           | AA                      |
| JASON SCOTT     | OPPENHEIMER              | \$ 627.00             |                         |
| GREG SPEIGALMAN | WEDBUSH MORGAN           | \$ 409.00             |                         |
|                 |                          |                       |                         |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

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**APPENDIX A**  
**EQUITY COMMISSION DETAIL REPORT**

---

**Manager:** Jennison

Commission Details

| Quarter Ending<br>30-Jun-10 |           |
|-----------------------------|-----------|
| Execution                   | \$ 10,031 |
| Research                    | \$ 4,868  |
| Client Directed Trading     |           |
| Majority Directed           |           |
| Minority Directed           | \$ -      |
| Georgia Brokers             | \$ -      |
| Commission Recapture        | \$ 2,523  |
| Total Comm. Dollars Paid    | \$ 17,422 |
| Avg. cents per share        | 0.03      |
| % Minority Brokers          | 0.0       |

| Person | Firm | Commission Dollars | Minority Background* |
|--------|------|--------------------|----------------------|
| N/A    | N/A  | N/A                | N/A                  |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

**Manager:** New Amsterdam Partners

Commission Details

| Quarter Ending<br>30-Jun-10 |           |
|-----------------------------|-----------|
| Execution                   | \$ 11,764 |
| Research                    | \$ 6,049  |
| Client Directed Trading     |           |
| Majority Directed           | \$ 8,949  |
| Minority Directed           | \$ 4,896  |
| Georgia Brokers             | \$ 3,968  |
| Commission Recapture        | \$ 5,504  |
| Total Comm. Dollars Paid    | \$ 17,813 |
| Avg. cents per share        | 0.38      |
| % Minority Brokers          | 0.3       |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

| Person           | Firm                      | Commission<br>Dollars | Minority<br>Background* |
|------------------|---------------------------|-----------------------|-------------------------|
| SCOTT CALDWELL   | BNY CONVERGEX             | \$ 4,508              |                         |
| SCOTT CALDWELL   | LYNCH JONES RYAN          | \$ 5,504              |                         |
| JOHN BELL        | GUZMAN & CO               | \$ 116                | HS                      |
| SUJAL BHARUCHA   | ITG (POSIT)               | \$ 32                 |                         |
| TODD COCHRAN     | ITG (POSIT)               | \$ 52                 |                         |
| TODD COCHRAN     | ITG (SMART ROUTER)        | \$ 8                  |                         |
| KANDY OUTLAW     | JACKSON SECURITIES        | \$ 4,168              | AA/WM                   |
| ADAM FRANCO      | LIQUIDNET SELECT          | \$ 631                |                         |
| ANTOINETTE BING  | BOE SECURITIES INC        | \$ 332                | AA                      |
| STACEY LEE       | LIQUIDNET SELECT          | \$ 172                |                         |
| MICHAEL DOLAN    | SANFORD BERNSTEIN & CO    | \$ 756                |                         |
| IRENE ELMORE     | SALOMON SMITH BARNEY      | \$ 228                | WM                      |
| TAINO ROMAN      | LOOP CAPITAL MARKETS      | \$ 52                 | AA                      |
| FRANK CAPPELLERI | INSTINET                  | \$ 52                 |                         |
| FRANK CAPPELLERI | INSTINET (SMART ROUTER)   | \$ 854                |                         |
| ERIK MULLER      | BARCLAYS CAPITAL (LEHMAN) | \$ 28                 |                         |
| DON HACKMAN      | NYFIX/WESTMINISTER        | \$ 12                 |                         |
| DOUGLAS DAVIS    | SALOMON SMITH BARNEY      | \$ 308                |                         |

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

## APPENDIX A EQUITY COMMISSION DETAIL REPORT

**Manager:** Madison Square Investors

## Commission Details

|                          | Quarter Ending<br>30-Jun-10 |
|--------------------------|-----------------------------|
| Execution                | \$ 5,491                    |
| Research                 | \$ 269                      |
| Client Directed Trading  |                             |
| Majority Directed        | \$ -                        |
| Minority Directed        | \$ -                        |
| Georgia Brokers          | \$ -                        |
| Commission Recapture     | \$ 8,130                    |
| Total Comm. Dollars Paid | \$ 13,890                   |
| Avg. cents per share     | 0.02                        |
| % Minority Brokers       | 0.0                         |

| Person | Firm | Commission Dollars | Minority Background* |
|--------|------|--------------------|----------------------|
| N/A    | N/A  | N/A                | N/A                  |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.



## APPENDIX A

### EQUITY COMMISSION DETAIL REPORT

**Manager:** Wellington

Commission Details

|                          | Quarter Ending<br>30-Jun-10 |
|--------------------------|-----------------------------|
| Execution                | \$ -                        |
| Research                 | \$ -                        |
| Client Directed Trading  |                             |
| Majority Directed        |                             |
| Minority Directed        | \$ -                        |
| Georgia Brokers          | \$ -                        |
| Commission Recapture     | \$ -                        |
| Total Comm. Dollars Paid | \$ 9,336                    |
| Avg. cents per share     | 0.02                        |
| % Minority Brokers       | 0.0                         |

| Person | Firm | Commission<br>Dollars | Minority<br>Background* |
|--------|------|-----------------------|-------------------------|
| N/A    | N/A  | N/A                   | N/A                     |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

Research Services utilized by Wellington Management are generated by broker/dealers who also provide execution services. The soft dollar commissions allocated to each broker for your fund are calculated based on the percent of the firmwide commissions applied to third-party research commission arrangements for each broker. The fund's total amount allocated in 3Q09 was \$823. The fund's total amount allocated YTD 2009 was \$2,500. Following applicable regulatory guidance, Wellington Management does not currently link proprietary research received from brokers to particular transactions. We are not aware of any definitive method or standards under bundled commission arrangements to either a) estimate the price or value of research received, or b) associate specific commission amounts with the value of research services received. As a result, the requested information would be estimated in ways that are non-standard and may not be comparable to other methods.

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

**Manager:** Ceredex

## Commission Details

|                          | Quarter Ending<br>30-Jun-10 |
|--------------------------|-----------------------------|
| Execution                | \$ 3,269                    |
| Research                 | \$ 39,755                   |
| Client Directed Trading  |                             |
| Majority Directed        | \$ -                        |
| Minority Directed        | \$ -                        |
| Georgia Brokers          | \$ -                        |
| Commission Recapture     | \$ 35,642                   |
| Total Comm. Dollars Paid | \$ 78,665                   |
| Avg. cents per share     | 0.00                        |
| % Minority Brokers       | 0.0%                        |

| Person | Firm | Commission Dollars | Minority Background* |
|--------|------|--------------------|----------------------|
| N/A    | N/A  | N/A                |                      |

\* AA = African American  
AS = Asian American  
HS = Hispanic American  
WM = Women

\*Note: Some brokers fall into multiple categories. Thus, the sum of categorized trading could be greater/less than the total commission dollars paid.

**APPENDIX A**  
**FIXED INCOME TRADES**

| QUARTER                        |    |            |  | YTD                              |    |            |  |
|--------------------------------|----|------------|--|----------------------------------|----|------------|--|
| <b>Mesirow</b>                 |    |            |  | <b>Mesirow</b>                   |    |            |  |
| TOTAL DOLLAR AMOUNT            | \$ | 11,125,126 |  | TOTAL DOLLAR AMOUNT              | \$ | 22,633,126 |  |
| % TO MINORITY OWNED FIRMS      |    | 0%         |  | % TO MINORITY OWNED FIRMS        |    | 0%         |  |
| % TO MAJORITY OWNED FIRMS      |    | 100%       |  | % TO MAJORITY OWNED FIRMS        |    | 100%       |  |
| % TO GEORGIA BROKERS           |    | 0%         |  | % TO GEORGIA BROKERS             |    | 0%         |  |
| <b>Atlanta Capital</b>         |    |            |  | <b>Atlanta Capital</b>           |    |            |  |
| TOTAL DOLLAR AMOUNT            | \$ | 11,057,969 |  | TOTAL DOLLAR AMOUNT              | \$ | 67,363,908 |  |
| NON-TREASURY/AGENCY TRADING VO | \$ | 3,878,848  |  | NON-TREASURY/AGENCY TRADING VOL. | \$ | 49,546,941 |  |
| % TO MINORITY OWNED FIRMS      | \$ | -          |  | % TO MINORITY OWNED FIRMS        |    | 0%         |  |
| % TO MAJORITY OWNED FIRMS      |    | 100%       |  | % TO MAJORITY OWNED FIRMS        |    | 100%       |  |
| % TO GEORGIA BROKERS           |    | 45%        |  | % TO GEORGIA BROKERS             |    | 45%        |  |
| <b>JP Morgan</b>               |    |            |  | <b>JP Morgan</b>                 |    |            |  |
| TOTAL DOLLAR AMOUNT            |    | N/A        |  | TOTAL DOLLAR AMOUNT              |    | N/A        |  |
| % TO MINORITY OWNED FIRMS      |    | 0%         |  | % TO MINORITY OWNED FIRMS        |    | 0%         |  |
| % TO MAJORITY OWNED FIRMS      |    | 0%         |  | % TO MAJORITY OWNED FIRMS        |    | 0%         |  |
| % TO GEORGIA BROKERS           |    | 0%         |  | % TO GEORGIA BROKERS             |    | 0%         |  |
| Not Participating              |    |            |  | Not Participating                |    |            |  |

Total dollar amount is based on total firm trades.

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## EXPLANATIONS OF BENCHMARKS

### APPENDIX B

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#### **TARGET ASSET MIX**

25% S&P 500, 20% Midcap, 10% Small Cap, 30% BGI Aggregate, 15% BGI Intermediate Govt/Credit

\*New Target benchmark as of 1q2007

Indexes used to calculate target benchmarks:

|                           |  |
|---------------------------|--|
| Fixed Income:             | Barclays Aggregate Bond Index                                    |
| Intermediate Fixed Income | Barclays Govt./Credit Intermediate                               |
| Large Cap. Equity:        | S&P 500 (formerly Wilshire S&P 500 Buy and Hold ex South Africa) |
| Mid Cap. Equity:          | S&P Midcap   |
| Small Cap:                | Russell 2000   |
| Cash:                     | Salomon Brothers 90 T-Bill                                       |

#### **COMPOSITE MEDIAN MANAGER**

A composite of median manager returns for each asset class weighted by the Target Asset Mix.

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## INDEX DEFINITIONS

### APPENDIX C

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#### **Barclays Aggregate Bond Index**

Composed of securities from Barclays Government/Corporate bond Index, Mortgage-Backed Securities index, and Yankee Bond Index. Total return comprises price appreciation/depreciation and income as a percentage of the original investment. Indexes are balanced monthly by market capitalization.

#### **Salomon Brothers 6- Month Certificate of Deposit Index**

Includes negotiable money-market securities certifying a six-month time deposit at a bank or thrift institution. The bank agrees to pay the amount deposited, plus interest, to the bearer on the date specified on the certificate. The minimum deposit is \$100,000.

#### **Russell Midcap Index**

Made up of medium-sized companies falling within the market capitalization range of approximately \$350 million to \$3.25 billion. Composed of 800 companies from the Russell 3000 Index that fall within Russell's medium to medium/small categories.

#### **Standard & Poor's 500 Index**

Covers 500 industrial, utility transportation and financial institutions in the US markets (mostly NYSE issues). The index represents about 75% of NYSE market capitalization and 30% of NYSE issues. It is a capitalization weighted index calculated on a total return basis with dividends reinvested.

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## UNIVERSE DEFINITIONS

### APPENDIX D

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#### **US Balanced accounts**

Consists of investment advisor and bank portfolios. These are balanced, separately managed, fully discretionary, tax-free portfolios that have a minimum size of \$5 million. Employee benefit accounts are preferred. Portfolios include both equity and fixed income securities.

#### **US Equity Accounts (broad)**

A combination of the Equity Pooled Accounts and Equity-Oriented Separate Account Universes. Consists of investment advisor, bank and insurance company portfolios. These are equity-oriented, fully discretionary, tax-free portfolios that are at least \$5 million in size. Pooled accounts are included from investment advisors if the advisor is (1) organized as a trust company or (2) a registered investment company acting as an advisor to a bank. Mutual funds can be included if they are gross of fees.

#### **US Fixed Income Accounts (broad)**

A Combination of the Fixed-Income Pooled and Fixed-Income Separate Accounts Universe. Consists of investment advisor, bank and insurance company portfolios. These are fixed-income-oriented, fully discretionary, tax-free portfolios that are at least \$5 million in size. Pooled accounts are included from investment advisors if the advisor is (1) organized as a trust company or (2) a registered investment company acting as an advisor to a bank. Mutual funds can be included if they are gross of fees.

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## DEFINITIONS OF COMMON TERMS

### APPENDIX E

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#### **Alpha**

A measure of risk adjusted return. It is the y - intercept of the line based on ordinary least squares regression using the market's quarterly return as the independent variable and the manager's return as the dependent variable. Alpha measures the non-systematic return, which is the return which may not be attributable to the market. In simple terms, alpha is defined as the return earned by the manager over and above what the market earned.

#### **Relative Risk/Reward Ratio**

A measure of risk adjusted return relative to the market's risk adjusted return. It is calculated by first dividing the manager's return for the period by the manager's standard deviation for the period. This quotient is then divided by the quotient of the market's return for the period divided by the market's standard deviation for the period. The measure represents the manager's rate of return per unit of risk relative to the market's rate of return per unit of risk. A ratio above 1.0 indicates positive relative performance and a ratio below 1.0 indicates a negative relative performance.

#### **Standard Deviation**

A gauge of risk based on the volatility as measured by the dispersion of returns about their mean.

#### **Style**

Description of the investment strategy used to determine the investment decisions within an asset class.

#### **Universe**

A group of comparable investment styles. A Broad Universe, such as Broad Equity, refers to all styles in the Equity asset class. Style-specific universes such as Pure Small Cap, includes only styles with a high correlation to a Small Cap Index and low correlation to a large Cap index.